

FY 2004

PERFORMANCE BUDGET

Veterans' Employment and Training Service

Veterans' Employment and Training Service
PERFORMANCE BUDGET
Table of Contents

General Statement.....	1
I. Introduction.....	1
II. Issues, Outcomes and Strategies.....	2
III. Cost Model.....	3
IV. Performance Challenges	4
VETS Performance Goal 1	5
VETS Performance Goal 2	5
Agency Request	5
Output Indicators	6
Organization Chart.....	7
Appropriation Language	8
ANALYSIS OF APPROPRIATION LANGUAGE.....	9
AMOUNTS AVAILABLE FOR OBLIGATION	10
SUMMARY BUDGET AUTHORITY AND FTE BY ACCOUNT.....	11
Total Budgetary Resources	12
Summary of FY 2004 Agency Performance Goals	13
Strategic Goal: A Prepared Workforce	13
Outcome Goal: Increase employment, earnings and assistance	13
Performance Goal 1:	13
Strategic Goal: Quality Workplaces	14
Outcome Goal: Foster Equal Opportunity Workplaces	14
Performance Goal 2:	14
Methodology.....	14
Performance Goal 1	15
Jobs for Veterans.....	15
STATE GRANTS ACTIVITY	16
I. Introduction.....	16
II. FY 2004 Performance Goal:	17
Performance Goal Indicators	22
State Grants Administration Activity Changes.....	24
Performance Budget Issue Paper	25
HOMELESS VETERANS' REINTEGRATION PROGRAM ACTIVITY	27
I. Introduction.....	27
II. FY 2004 Performance Goal:	28
Homeless Veterans Reintegration Program Changes in 2004	30
Homeless Veterans Indicators.....	30
Performance Budget Issue Paper	32
VETERANS WORKFORCE INVESTMENT PROGRAM ACTIVITY	33
I. Introduction.....	33
II. FY 2004 Performance Goal	34
Performance Budget Issue Paper	36
Veterans Workforce Investment Program	38

Veterans Workforce Investment Program Indicators	38
Performance Goal 2	39
Support our service members.....	39
NATIONAL VETERANS EMPLOYMENT AND TRAINING SERVICES ACTIVITY	40
I. Introduction.....	40
II. FY 2004 Performance Goal	40
Performance Budget Issue Paper	43
Changes in 2004.....	44
FEDERAL ADMINISTRATION ACTIVITY	46
I. Introduction.....	46
II. FY 2004 Performance Goals.....	49
Federal Administration Indicators	54
Performance Budget Issue Paper	56
Federal Administration	57
Cost Allocation Summary.....	58
APPENDIX.....	59
Summary of Changes.....	60
Budget Activity Totals.....	61
BUDGET AUTHORITY BY OBJECT CLASS	62
Budget Activity by Strategic Goal.....	63
APPROPRIATION HISTORY	64
Detailed Performance Table	65
President’s Management Agenda	68

General Statement

I. Introduction

The mission of the Veterans' Employment and Training Service (VETS) is to provide veterans with the resources and services to succeed in the 21st century workforce by maximizing their employment opportunities, protecting their employment rights and meeting labor market demands with qualified veterans. VETS' charter is a direct reflection of the nation's responsibility to meet the employment, training and job security needs of those who serve in uniform. Title 38, United States Code, Chapters 41, 42 and 43, as recently amended by the Jobs for Veterans Act of 2002, outlines VETS' responsibilities.

VETS helps veterans get jobs through the public labor exchange (employment services provided by One Stop Career Centers). Grants are provided to State Workforce Agencies (SWA) to support staff dedicated to serving veterans. These dedicated staff, Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans Employment Representatives (LVER) provide direct employment and training assistance to veterans. Unfortunately, not all veterans return unscathed after their service to the Nation. VETS ensures that veterans who return with a requirement for special employment assistance due to disabilities or barriers to employment receive appropriate services based on their needs. VETS provides funding, through the Homeless Veterans Reintegration Program and Veterans Workforce Investment Program to serve targeted groups of veterans who need even further assistance.

VETS' meets its responsibilities through five activities: *State Administration* – Funding for Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) positions. DVOPs provide outreach, intensive employment services and priority of service to special disabled, disabled and other eligible veterans. LVERs develop employment opportunities for veterans via outreach to area employers; (2) *Federal Administration* – provides guidance and policy direction to serve and meet employment and training needs of veterans. Through coordination with State partners, the Department of Defense and Department of Veterans Affairs, programs such as Transition Assistance, Federal Contractor, Uniformed Services Employment and Reemployment Rights Act (USERRA), and Federal Veteran's Preference are made available to assist veterans in the civilian workforce; (3) *National Veterans' Employment and Training Services Institute (NVTI)* – Develops and provides competency training to providers of services to veterans; (4) *Homeless Veterans' Reintegration Program (HVRP)* – Provides competitive grants to operate employment programs specializing in outreach, supportive services and training to reintegrate homeless veterans into the workforce; and (5) *Veterans' Workforce Investment Program (VWIP)* – Provides competitive grants geared toward training, re-training and employment opportunities for veterans with service-connected disabilities, those with significant barriers to employment and recently separated veterans.

The Veterans' Employment and Training Service functions through its headquarters, ten regional offices and staff in each State and Washington, D.C. and Puerto Rico. VETS' mission supports the Department of Labor's (DOL) strategic goals of a prepared workforce that enhances opportunities for America's workforce, and of quality workplaces that are safe, healthy and fair.

VETS is requesting \$219,993,000 and 250 FTE to support these two performance goals: (1) Improve the employment outcomes for veterans who receive employment assistance services and veterans program services; and (2) Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.

II. Issues, Outcomes and Strategies

About 200,000 service members leave active duty annually. VETS works with the Departments of Defense (DOD) and Veterans Affairs (VA) to ensure that those about to separate are able to successfully transition into the civilian economy. This is accomplished through the provision of special transition counseling and other services. Veterans' satisfaction with their transition and subsequent success in the workforce assist DOD's efforts to recruit and retain an all-volunteer armed force capable of meeting the challenges of an uncertain national security environment, including the ongoing Global War on Terrorism. Public knowledge of the substantive transition assistance veterans receive serves as an incentive to young men and women considering volunteering for military service.

Data supplied by the Bureau of Labor Statistics (BLS) indicates that the number of unemployed veterans started rising in early 2002 and continues to increase. Statistics show an average of 700,000 veterans are unemployed in any given month. Additionally, there are approximately 275,000 homeless veterans and 45,000 unemployed disabled veterans in that same timeframe.

Added to those increasing numbers is the projected increase in USERRA workload. The large National Guard and Reserve component call-ups to active duty in support of both the Global War on Terrorism and homeland security are following a pattern set after the Persian Gulf War. The number of USERRA claims increases with the number of activations.

For the more than 1,200,000 Reserve component and National Guard members, VETS ensures that their military service can be performed without harm to their civilian employment via enforcement of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

VETS will continue to meet the employment training and job security needs of America's uniformed services while addressing the following issues:

- Implementing Public Law 107-288, the Jobs for Veterans Act (JVA) which was enacted in November 2002. JVA provides VETS with increased program and administrative flexibility.
- Developing and implementing State Workforce Agency employment services performance standards based on attainment of employment outcomes for veterans.
- Addressing the persistent problem of homelessness among veterans and the special problems faced by distinct groups of veterans such as the disabled and aging.
- Ensuring, under USERRA, that veterans and members of the National Guard and Reserve components suffer no penalties in their civilian jobs as a consequence of their military service.

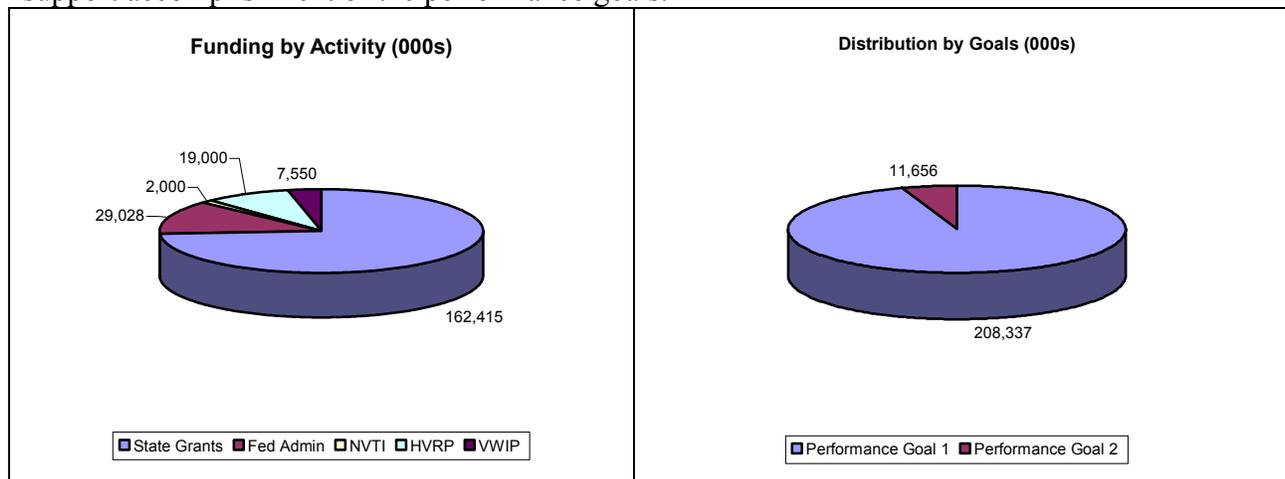
The Jobs for Veterans Act makes an immediate impact on both VETS' grant programs and services through the States and the agency's administrative structure. JVA allows greater flexibility in the employment and assignment of DVOP and LVER experts, broadens the priority of service mandate for DOL job training programs, and allows for financial and non-financial incentives to encourage States to develop improved and modern employment services for veterans.

New performance measures focusing on employment outcomes are now being implemented for VETS' state grant programs. In addition, more accurate Unemployment Insurance (UI) wage record information will be used to compute the outcome measurements.

III. Cost Model

VETS has conducted pilot surveys that identify the percentage of time its own staff and DVOP and LVER staff spend in efforts supporting the different budget activities and projects, and most importantly, the Secretary's goals. In addition, VETS has established sub-project codes within the Departmental accounting system that enable tracking obligations and costs to the different activities and efforts to enable better identification of activity based costs. Also, VETS developed a web-based financial tracking system that further enables it to track the costs of activities and efforts against its strategic and performance goals. These data are used in estimating the true costs of the different activities and performance goals set forth in this budget request. VETS will continue to survey the resource time spent on activities and goals as a management tool and to refine it for future budget forecasts.

The cost information available, and historical information on the outputs and costs of DVOP, LVER, and other employment service staff enabled VETS to tie its performance goals to the resource levels required to help more than 1,618,000 veterans, the level expected to register for assistance during FY 2004 (based on an estimate of the expected unemployment rate of veterans during that timeframe). The funding requested herein is designed to help 930,000 veterans into jobs. This data will help VETS in turn set negotiated goals with States that help reach the performance goal, and to target technical assistance and other help to States to help them meet their goals. The data will also help manage the programs and implement strategies designed to support accomplishment of the performance goals.



The funding requested is consistent with previous accomplishments and enables VETS to continue to improve its employment and training services to veterans. With the funds provided in FY 2002, the State Workforce Agencies' employment service helped 491,445 veterans find jobs. Of these, 51,035 were disabled veterans.

IV. Performance Challenges

Resources available are the key factor in the level of achievement relative to services to veterans and the resulting number of veterans entering employment. VETS is continually seeking productivity increases and quality improvements within existing resources. There are other factors, as noted below, that also influence overall accomplishments.

External Challenges: Unemployment may remain relatively high. VETS' assumes that the current high unemployment is temporary and will return to normal levels by fiscal year 2004. Emphasis will be on seeing that as many veterans as possible are served by the One Stop Career Center staff. VETS will rely on the good faith effort of its State partners to design programs that address this priority. With the implementation of the Jobs for Veterans Act (P.L. 107-288), the States will have more flexibility to allocate their resources and VETS will provide technical assistance and ensure that State plans for services to veterans will enable meeting performance goals. Any situation that results in increases on the number of individuals in uniformed services, whether increases in the military services, or those in National Guard or reserve components, or other uniformed service, will affect VETS resource mix and ability to meet its performance goals. The war on terrorism could require that substantial numbers of citizen soldiers be away on extended military duty, putting pressure on employers and families. VETS must be prepared to provide additional information to service members and their employers on rights and responsibilities and utilize staff resources effectively to address individual problems as they arise.

Internal Challenges: Managing risk is a central element in the VETS approach to performance goal attainment. We are implementing a risk management framework, part of a broad-based organizational effectiveness effort, consisting of four interrelated dimensions. These include:

- Human Capital Risk – these risks are associated with the organizational ability to recruit, retain, train and educate quality personnel and sustain their outstanding performance.
- Operational Risk – these risks are associated with the ability to achieve program goals and objectives in the near term.
- Future Challenges Risk – these risks are associated with the ability to invest in new operational concepts and programs within the scope of the agency mission, and
- Institutional Risk – these risks are associated with mitigating the potential for fraud, waste and abuse, and practices and controls that ensure the effective and efficient operation of the agency.

The risk management framework allows agency-level consideration of potential trade-offs between fundamental performance goals and fundamental resource constraints. Through the application of a risk management process, VETS can directly and effectively address the potential obstacles to successful performance goal attainment.

In FY 2004, VETS will prioritize efforts and resources to support two of the Secretary of Labor's Strategic Goals – A Prepared Workforce and Quality Workplaces. To support these goals, VETS' developed two performance goals that contribute to these strategic goals. In turn, the VETS budget request is to meet these two performance goals and performance indicators. They are:

VETS Performance Goal 1

Improve the employment outcomes for veterans who receive One Stop Career Center services and veterans program services. Performance for this goal will be measured using the following indicators:

- 1.A The Entered Employment Rate for Veterans (58%) and Disabled Veterans (60%) of those entering the public labor exchange seeking employment. *
- 1.B The Entered Employment Retention Rate at six months for Veterans (72%) and Disabled Veterans (65%) of those veterans who obtain jobs through the public labor exchange. *
- 1.C 78% of disabled veterans receiving intensive training and rehabilitative services will enter employment.
- 1.D The Entered Employment Rate for Homeless Veterans enrolled in the Homeless Veteran Reintegration Program (54% of those who are enrolled in an HVRP).*
- 1.E The Entered Employment retention rate after six months for Homeless Veterans (70%). *

* A baseline has yet to be established because of the new measuring system that will be implemented on July 1, 2004.

VETS Performance Goal 2

Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.. This performance goal is supported by the following objective:

- 2.A The Quality of Services and relevance to veterans and reservists needs provided under the Uniformed Services Employment and Re-employment Rights Act (USERRA) and Veteran's Preference will be improved through better case handling and outreach efforts.

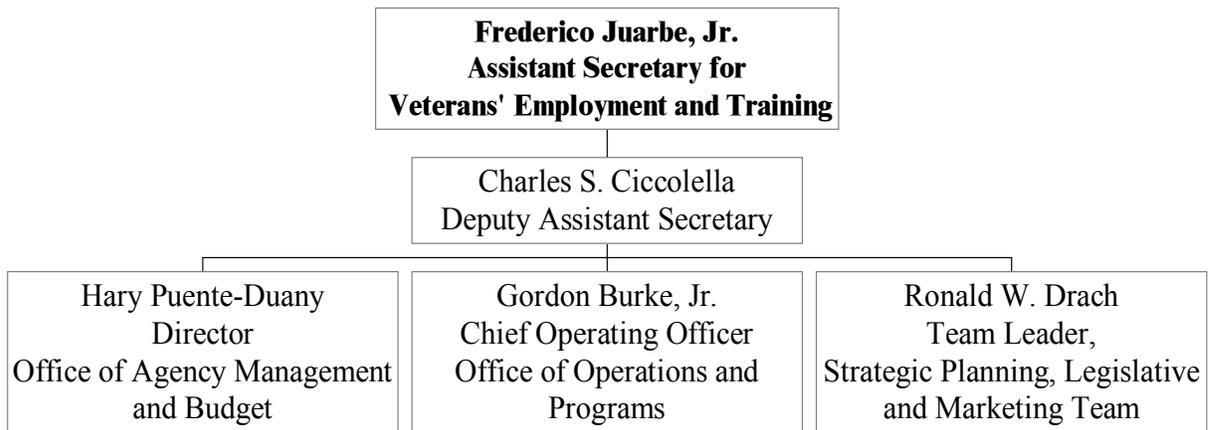
Agency Request

VETS requests a total of \$219,993,000, an increase of \$9,656,000 over its FY 2003 request level. This level of funding will enable VETS to meet its highest priority performance plan goals and objectives during FY 2004. A comparison of outcomes follows.

Output Indicators

Expected Outcome or Output	Agency Request
Public Labor Exchange System Veterans' Entering Employment	930,000
Homeless Veterans Entering Employment	9,000
Veterans Workforce Investment Program Veterans Entering Employment	2,500
TAP Participants	129,000
Class Size	35
USERRA Cases Processed	1,325
Carryover to next FY	395
Fed. Veteran's Preference Cases Processed	250
Carryover to next FY	158

**Veterans' Employment and Training Service
Organization Chart**



Veterans' Employment and Training Service Appropriation Language

Not to exceed \$193,443,000 may be derived from the Employment Security Administration Account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 4100-4112, 4211- 4215 and 4321-27, and Public Law 103-353, and which shall be available for obligation by the States through December 31, 2004, of which \$2,000,000 is for the National Veterans' Employment and Training Services Institute. To carry out the Homeless Veterans Reintegration Programs (38 U.S.C. 2021) and the Veterans Workforce Investment Programs (29 U.S.C. 2913), \$26,550,000 of which \$7,550,000 shall be available for obligation for the period July 1, 2004 through June 30, 2005.

Note. - A regular 2003 appropriation for this account has not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Note. – Changes in language were made to account for requirements and amendments by the Jobs for Veterans Act of 2002 and Homeless Veterans Comprehensive Assistance Act of 2001.

ANALYSIS OF APPROPRIATION LANGUAGE
Veterans' Employment and Training Service

Not to exceed \$193,443,000 may be derived from the Employment Security Administration Account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 4100-4112, 4211- 4215 and 4321-27, and Public Law 103-353

of which \$2,000,000 is for the National Veterans' Employment and Training Services Institute.

No change except for citations changed by the Jobs for Veterans Act of 2002 (P.L. 107-288) and the Homeless Veterans Comprehensive Assistance Act of 2001

The Jobs for Veterans Act of 2002 requires a budget line for the National Veterans' Employment and Training Services Institute.

AMOUNTS AVAILABLE FOR OBLIGATION
(\$ in thousands)

	FY 2002 Comparable		FY 2003 ^{/1}		FY 2004	
	<u>FTE</u>	<u>Amount</u>	FTE	Amount	FTE	Amount
Appropriation.....	--	25,800	--	24,800	--	26,550
A. Subtotal Appropriation.....	0	25,800	0	24,800	0	26,550
Offsetting collections from Trust Funds.....	250	186,903	250	185,537	250	193,443
Reductions pursuant to:						
Rescission (P.L. 107-116)		-79				
Rescission (P.L. 107-206)		-108				
Subtotal Trust Funds	250	186,716		185,337		
B. Gross Budget Authority	250	212,516	250	210,337	250	219,993
C. Budget Authority Before Committee ^{2/}	250	212,516	250	210,337	250	219,993
IT Crosscut	--	62	--	0	--	0
	--					
D. Total Budgetary Resources.....	250	212,578	250	210,337	250	219,993

^{1/} : Legislation was proposed in the FY 2003 budget request to move certain veterans employment functions to the Department of Veterans Affairs. The legislation was not enacted.

SUMMARY BUDGET AUTHORITY AND FTE BY ACCOUNT
Veterans Employment and Training Service
(Dollars in Thousands)

	FY 2002		FY 2003 ^{1/2}		FY 2004	
	FTE	Amount	FTE	Amount	FTE	Amount
Unemployment Trust Fund	250	186,716	250	186,903	250	193,443
Disabled Veterans' Outreach Program	0	81,615	0	81,615	0	^{/1}
Local Veterans' Employment Representative	0	77,253	0	77,253	0	^{/1}
State Grants subtotal	0	<i>(158,868)</i>	0	<i>(158,868)</i>	0	162,415
Federal Administration	250	25,848	0	26,669	0	29,028
National Veterans' Training Institute	0	2,000	0	0	0	2,000
General Revenue	0	25,800	0	25,800	0	26,550
Homeless Veterans' Reintegration Program	0	18,250	0	17,500	0	19,000
Veterans Workforce Investment Program**	0	7,550	0	7,300	0	7,550
Total	250	212,516	250	210,337	250	219,993

1/ Jobs for Veterans Act of 2002 requirements prevent a true forecast of distribution of funds between the DVOP and LVER program until States submit their plans under the Act.

2/ Legislation was proposed in the FY 2003 budget request to move certain veteran employment functions to the Department of Veterans Affairs. The legislation was not enacted.

Total Budgetary Resources
FY 2002-2004
(\$ in 000s)

	FY 2002			FY 2003 ^{/1}			FY 2004		
	Activity Approp	Other Appropriations	Total	Activity Approp	Other Appropriations	Total	Activity Approp	Other Appropriations	Total
Unemployment Trust Fund	186,716	-9,900	187,110	185,537	-14,588	170,949	193,443	-15,747	177,696
State Grants	158,868	2,394		158,868	-740	158,128	162,415	3,626	166,041
Disabled Veterans' Outreach Program	81,615		81,615	81,615				0	*
Local Veterans' Employment Representative	77,253		77,253	77,253				0	*
Federal Administration	25,848	-10,524	15,324	26,669	-15,328	11,341	29,028	-17,492	11,536
National Veterans' Training Institute	2,000	-1,770	230	0	0	0	2,000	-1,880	120
General Funds	25,800	9,900	35,700	24,800	14,588	39,388	26,550	15,747	42,297
Homeless Veterans' Reintegration Program	18,250	6,300	24,550	17,500	7,840	25,340	19,000	8,065	27,065
Veterans Workforce Investment Program	7,550	5,600	13,150	7,300	6,748	14,048	7,550	7,682	15,232
Total	212,516	0	212,516	210,337	0	210,337	219,993	0	219,993

- The Jobs for Veterans Act of 2002 requires distribution of funds between the DVOP and LVER program based on State Plans.

^{/1} Legislation was proposed in the FY 2003 budget request to move certain veteran employment functions to the Department of Veterans Affairs. The legislation was not enacted.

Summary of FY 2004 Agency Performance Goals

Performance Goal	Prepared Workforce	Secure Workforce	Quality Workplace	TOTAL \$ (000s)
Performance Goal 1: Improve the employment outcomes for veterans who receive State Workforce Agencies services and veterans program services The following activities contribute to this goal: State Grant Administration Federal Administration National Veterans' Employment and Training Services Institute (NVTI) Homeless Veterans Reintegration Program Veterans Workforce Investment Act	x			\$208,337
Performance Goal 2: Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment. The following activities contribute to this goal: Federal Administration NVTI			x	11,656
Total				219,993

Strategic Goal: A Prepared Workforce

Enhanced Opportunities for America's Workforce

Outcome Goal: Increase employment, earnings and assistance

Performance Goal 1:

Improve the employment outcomes for veterans who receive State Workforce Agency services and veterans program services

- 1.A. 58% of veteran and 60% of disabled veteran job seekers will be employed in the first or second quarter following registration (with the Public Labor Exchange System) *
- 1.B. 72% of veteran and 65% of disabled veteran job seekers will continue to be employed two quarters after initial entry into employment with a new employer *
- 1.C. 78% of disabled veterans receiving intensive training and rehabilitative services will enter employment.
- 1.D. 54% of homeless veterans enrolled in homeless veterans reintegration programs will enter employment *
- 1.E. 70% of homeless veterans will continue to be employed six months after entering employment.*

* Baseline has yet to be established because of the new measuring system under common measures that will be implemented on July 1, 2004.

Strategic Goal: Quality Workplaces

Foster Quality workplaces that are safe, healthy and fair

Outcome Goal: Foster Equal Opportunity Workplaces

Performance Goal 2:

VETS' support of the Secretary's Quality Workplace Goal will be measured in FY 2004 with indicators developed as a result of a FY 2003 baseline sample survey of service members. The Quality Workplace goal is:

- 2.A. Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.

Methodology

VETS' budget request has been formulated to meet the performance goals above and certain core and mission critical functions, and several interagency efforts. VETS also supports the Federal Contractor Program, Transition Assistance Program, Licensing and Certification efforts, Federal veteran's preference and priority of service efforts.

The total of \$219,993,000 in this budget request is necessary to meet these responsibilities. The total request includes the direct, indirect and common administrative system costs of performance goals and core functions. Costs were computed using workloads and average costs per workload, costs of ongoing contracts or those planned for FY 2004, and by assigning personnel compensation costs to activities and goals based on a functional survey conducted in FY 2002 for Federal staff, and a survey conducted in PY 2000 for DVOP and LVER staff. Because VETS' strategic plans and objectives have changed for FY 2003 and beyond, similar adjustments have been made to account for expected changes in efforts by funded and federal staff.

Following are activity requests for Strategic Goal 1. Following that are the requests for Strategic Goal 3, to account for funding in Federal Administration and the National Veterans' Employment and Training Services Institute not devoted to Strategic Goal 1.

Performance Goal 1

Jobs for Veterans

(\$ in thousands)

	FY 2003 Approp	FY 2003 Estimate	Difference Approp/Est	FY 2004 Estimate	Difference FY03/04
Activity Appropriation	158,868	158,868	0	162,415	3,547
DVOP	81,615	81,615	0	*	
LVER	77,253	77,253	0	*	
Homeless Veterans	17,500	17,500	0	19,000	1,500
Veterans Workforce	7,300	7,300	0	7,550	250
Investment Program					
Federal Administration	15,328	15,328	0	17,492	2,164
National Veterans'	0	0	0	1,880	1,880
Training Institute					
FTE	134	134	0	139	5
Total Resources	198,996	198,996	0	208,337	9,341

Note: Legislation was proposed in the FY 2003 budget request to move certain veteran employment functions to the Department of Veterans Affairs. The legislation was not enacted.

DVOP and LVER program resources are the key contributors to this performance goal, but this performance goal is also supported by resources of the Federal Administration, NVTI, HVRP and VWIP activities.

STATE GRANTS ACTIVITY (in 000s)

	FY 2003 Approp	FY 2003 Estimate	Difference Approp/Est	FY 2004 Estimate	Difference FY03/04
Activity Appropriation	158,868	158,868	0	162,415	3,547
Other Appropriations	0	0	0	0	0
Other Resources					
Other Activities					
Federal Admin	10,329	10,329	0	11,204	875
NVTI	0	0	0	1,798	1,798
Total Resources	169,197	169,197	0	175,417	6,220
FTE	87	87	0	89	2

Note: Legislation was proposed in the FY 2003 budget request to move certain veteran employment functions to the Department of Veterans Affairs. The legislation was not enacted.

I. Introduction

State administration.- The Veterans' Employment and Training Service (VETS) administers two grants-to-States programs that serve to directly meet the goals in its strategic plan: (1) the Disabled Veterans' Outreach Program (DVOP) and (2) the Local Veterans' Employment Representative (LVER) Program.

The Disabled Veterans' Outreach Program (DVOP) is a grants-to-States program authorized by Section 4103(A) of Title 38, United States Code. Disabled Veterans' Outreach Program specialists provide outreach services, and intensive employment services to meet the employment needs of eligible veterans. Priority of service is given to special disabled veterans, disabled veterans, and other eligible veterans. In providing these services, the maximum emphasis is on meeting the employment needs of economically or educationally disadvantaged veterans.

The Local Veterans' Employment Representative (LVER) program is a grants-to-States program, authorized by Section 4104(A), Title 38, United States Code. Local Veterans' Representatives conduct outreach to area employers to develop employment opportunities for veterans. They also facilitate employment, training, and placement services to veterans. In addition, each Local Veterans' Employment Representative is administratively responsible to the manager of the employment service delivery system to provide quarterly reports to the manager of such office and to the Director for Veterans' Employment and Training regarding compliance with Federal law and regulations with respect to special services and priorities for eligible veterans and eligible persons. LVER staff also maintain cooperative working relationships with community organizations and employers, and work closely with other agencies, including the Department of Veterans Affairs personnel involved in Vocational Rehabilitation and Employment (VR&E - formerly Vocational Rehabilitation and Counseling, VR&C) services for veterans. The LVER staff will play a larger role in assisting transitioning service members by delivering TAP workshops. Also, LVER staff promote and monitor listings of job openings by Federal

contractors and subsequent referral of qualified veterans, and monitor the participation of veterans in federally funded employment and training programs.

The FY 2004 request for State Grants is \$162,415,000. The United States Department of Labor (USDOL), Veterans' Employment and Training Service (VETS) provides grant awards on an annual basis for the operation of the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representative (LVER) program in accordance with 38 U.S.C Chapter 41. This level of funding is expected to support 2,400 DVOP and LVER positions. The Jobs for Veterans Act of 2002 (JVA), amended section 38 U.S.C. 4103(A) enabling the States to employ full or part-time DVOP staff as the State determines necessary to carry out the above duties. The JVA also changed the funding formula (38 U.S.C. 4102(c)(2)(B)). The funding made available is based upon the number of veterans seeking employment, taking into consideration civilian labor force data and the number of unemployed veterans in a State. These two provisions prevent VETS from computing DVOP and LVER funding available by State until a formula is developed and States declare their intended staffing levels for DVOP and LVER staff when they submit a State plan.

In support of these DVOP/LVER positions VETS will continue to provide an operational framework to facilitate the optimum delivery of services to assist states in their mission of leading veterans toward appropriate employment. Current policies, directives, and programs are being developed that will bridge possible significant legislative changes with program realities and needs. An incentive awards program for State Workforce Agency staff will be available to reward improved services to veterans or increased entered employment rates.

To better insure compliance, workload measures have been developed that will track entered employment rates within prescribed time frames (Ref: ASVET Veteran's Program Letter 10-02). This baseline will be established based on PY 2002 (Ending June 30, 2003) reporting data via the revised ETA 9002 report, which became effective July 1, 2002. DOL will also continue to implement recommendations from studies on unemployed veterans service needs.

II. FY 2004 Performance Goal:

Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services.

A. Performance Indicators

- 1.A 58% of veteran and 60% of disabled veteran job seekers will be employed in the first or second quarter following registration.
- 1.B 72% of veteran and 65% of disabled veteran job seekers will continue to be employed two quarters after initial entry into employment with a new employer
- 1.C 78% of disabled veterans receiving intensive training and rehabilitative services will enter employment.

These are new performance indicators designed to be consistent with the OMB Approved information collection for the Public Labor Exchange, and to measure outcomes in concert with the Workforce Investment Act requirements and flexibilities. These performance goal indicators support the Prepared Workforce Goal. As will be seen in section D. below, these

performance indicators are a significant shift from previous years because the data collection system is different. In previous years, DVOP, LVER and other local office staff followed up on registrants after providing them employment and training services to identify those that had subsequently obtained jobs. This process consumed time and effort from the staff and was not reliable.

The new data collection system uses quarterly employer-provided new hire information, which is part of the Unemployment Insurance Wage Record report, and matches the social security number of new hires reported by the employer against the social security number of individuals registering for and receiving services from the One Stop Career Centers. This new system is more reliable and frees the time heretofore spent tracking registrants who had received services to determine whether they had obtained a job. New performance indicators will be implemented in the fourth quarter of FY 2004 to come into conformance with the new common measures sought for employment and training programs. To enable measuring performance, the 58% entered employment to registered proportion has been reduced to a number that can be tracked in spite of the changes made to the data collected to accommodate the common employment and training measures. The 58% entered employment rate represents about 930,000 veterans entering employment.

B. Purpose

These performance indicators reflect the strong commitment of the VETS' mission in ensuring that veterans are being provided the optimum services necessary to compete in the labor market and to obtain subsequent employment in a reasonable time period. Although some veterans are job ready, many others face employability barriers, particularly disabled veterans, who require staff assistance, its intensity varying with their need. The performance goals are designed to make sure veterans are helped based on their need for employment assistance.

Funding for the DVOP and LVER programs has a strong positive impact on the State Workforce Agencies (SWA), and most importantly on the thousands of our Nation's veterans served through these programs annually. If there were no dedicated DVOP & LVER staff to serve veterans, the veteran job seekers would fall into the much larger pool of applicants seeking assistance from a dwindling number of employment services staff. If there were no DVOP staff, those veterans most in need of intensive services would not have anyone to provide these services. In addition, if there were no LVER staff, there would be minimal employer outreach, since in many instances, LVER staff are the only employment service staff performing employer outreach. As an example, in Program Year (PY) 2000, 896,000 veterans were registered for service by DVOP & LVER staff. This accounts for 57% of the total number of veterans registered by all employment service staff. As a result of the services provided by DVOP & LVER staff, 270,888 veterans entered employment. In PY 2000 DVOP and LVER staff accounted for over 53% of the total entered employment for veterans.

C. Critical Strategies

VETS will improve the integration and effectiveness of services provided to veterans within the workforce development system through an emphasis on program evaluation, pilot testing, and

system improvements that address priority job placement services to veterans. This is a change from previous compliance enforcement efforts, and will require guidance, training and changes in procedures. The strategies aimed at meeting the performance goal include the following, which will be implemented primarily through partnership efforts and technical assistance:

- implementation of recommendations from studies on unemployed veterans service needs. These recommendations are intended to make services more relevant to the employment needs of such veterans;
- implementation of more flexible and up to date roles and responsibilities for grant-funded state employees functioning as veterans employment representatives (particularly case managers who serve disabled and other veterans with barriers to employment);
- implementation of new pilot projects in cooperation with employers, state workforce agencies and educational institutions for matching and placing job-ready transitioning service members into available, career-building jobs in targeted industries with known labor shortages such as retail sales and health care;
- implementation of improved data collection and reporting to support new state performance measures which use Unemployment Insurance Wage record data as well as newly implemented performance measures which improve accountability and success of VETS grant programs, including implementation of the employment and training programs common measures starting in July 1, 2004;
- Increased and improved technical assistance to States on their development of State plans;
- Development and implementation of a new competency-based core labor exchange course for DVOP and LVER staff;
- Improve the electronic tools available to DVOP and LVER staff, including the implementation of the veterans resume writer and talent bank;
- Improve outreach to ensure veterans and employers are aware of the services available;
- Enhanced job development training for veteran service providers and increased emphasis on the use of job development as a tool to better serve veterans;
- Encourage full utilization of staffing resources (timely filling of positions);
- Re-energize the Vocational Rehabilitation and Employment effort by developing an audio-visual long distance learning seminar that will be shown to newly assigned VETS-funded staff and key VA, VETS, State Workforce Agencies (SWA) who work with VR&E clients; and
- Improve local relationships with employers.

VETS will further, as a strategy, ensure that current policies are developed and maintained so that VETS can provide program direction and scope; embrace possible legislative changes, and is sensitive to the needs and requirements of the State Workforce Agencies (SWAs). VETS will monitor/review entered employment rates for each state in relationship to the cost of that output. VETS will plan on convening a Grant Review Team to evaluate/scrutinize the grant of each SWA prior to the passing of the FY 2004 appropriation's bill to:

- (1) Ensure adherence with directives;

- (2) Assess and ensure that direct to administrative cost ratios are justified and within acceptable boundaries;
- (3) Examine factors associated with significant costs per position (CPP) deviations;
- (4) Review formula requirements in light of expected appropriated funding and changes in legislation.

Additionally, VETS will offer guidance and technical assistance to ensure that the State Workforce Development Agencies' employment service focuses on skill quality, credentials, job development, employer relations and case management as a means of insuring retention and progress for veterans helped into jobs. These efforts are consistent with the Assistant Secretary's new directions initiative, which includes working in partnership with the States and providing technical assistance to achieve the purpose of the grants.

D. Past Performance Results and Future Projections at Full Funding Levels

Since this performance goal and its indicator is new, there is no past performance results that are germane to the new performance goal indicator. The performance goal indicator should result in 930,000 veterans entering employment with assistance from the State Workforce Agencies, and of these, about 491,000 with assistance provided by DVOP and LVER staff. As explained above, FY 2003 and FY 2004 will be based on a new information collection system that will improve the effectiveness of employment and training services by removing the time consuming responsibility of following up on registrants to see if they obtained employment within 90 days of services rendered and introducing computer matching of the social security number of new hires reported by employers in their Unemployment Insurance Wage Reports against the social security number of individuals registering for and receiving services provided by the State Workforce Agencies. The retention rate at six months is a new measure based on an information collection that was approved in FY 2002, and implemented on July 1, 2002. In July 1, 2004, the Employment and Training Administration will again change its measures to be consistent with the common measures for employment and job training programs.

Past Results	PY 1998 (FY 1999)	PY 1999 (FY 2000)	PY 2000 (FY 2001)	PY 2001 (FY 2002)
Entered Employment Rate for Veterans	26.7%	29.9%	32.9%	28.5%
Entered Employment Rate for disabled veterans	31.2%	32.2%	36.1%	31.4%

Performance Indicator <i>(Projections in Italics)</i>	FY 2001	FY 2002	FY 2003	FY 2004
27% of those veterans registering for public labor exchange services will enter employment	32.9%			
34% of those veterans registering for public labor exchange services will enter employment (data for 3 quarters of FY 2002 – 4 th quarter uses different measurement tool)		43%		

55% of veteran job seekers will be employed in the first or second quarter following registration			55%	
58% of veteran job seekers will be employed in the first or second quarter following registration				58%
72% of the above will continue to be employed two quarters after initial entry into employment with a new employer				72%

E. FY 2004 Budgetary Request

Applicable Departmental Goal:

Strategic Goal 1: A Prepared Workforce

Outcome Goal 1.1: Increase Employment, Earnings and Assistance

VETS is developing new directions, including new initiatives related to partnering with States, providing more technical assistance and less confrontation, and ensuring that VETS requirements are consistent with the One-Stop Career Center and Workforce Investment Act concepts. VETS will concentrate DVOP efforts on providing staff assisted, career coaching and case management to veterans most in need of these services, consistent with their individual needs, and ensuring those that are job-ready are provided assistance by the remaining staff of the employment service and other One Stop Career Center staff.

VETS is relying on new outcome performance measures developed jointly with the Employment and Training Administration (ETA) with a view to having measures that are consistent and supportive of WIA efforts. A \$3,547,000 increase from the FY 2003 Congressional request of \$158,868,000 brings the total FY 2004 request to \$162,415,000. The request is consistent with increased costs of staffing, inflationary costs, and costs of implementing the Jobs for Veterans Act (JVA). The JVA requires that funds be made available to States for performance awards to public labor exchange staff, as incentives; and requires that efforts be made to hold States harmless while applying a new formula for funding States. The new formula will be based on the number of job seekers, civilian labor force and unemployment data. The Secretary is also authorized to establish a minimum funding level. The requested increase will ameliorate the impact of these changes and enable VETS to meet this performance goal and its indicators. The cost allocation includes resources that support priority of services to veterans and accomplishment of the overall performance indicators for this performance goal. Thus, resources include the efforts of VETS staff to provide technical assistance, oversight and monitoring, and the costs of competency training for DVOP and LVER staff.

Costs need to be imputed for the performance goal for those placements made in conjunction with HVRP and VWIP projects, since DVOP staff is often stationed at these projects to help participants find employment. NVTI and Federal Administration resources also support this activity (See table below).

Performance Goal 1 – (State Grants 1A-1C)	Resources (in 000s)
State Grants	\$162,415
Direct Cost of All Outputs	162,415
Indirect Costs	0
Common Admin Systems	0
Total Resources for Performance Goal	162,415
Other Appropriations	0
Other Activities:	13,002
TOTAL	175,417

Performance Goal Indicators

State Grants Indicators

FY/GOAL		Total Budgetary Resources	FTE
2000		Met Performance Goal	
1.1.1	NO: 288,000 instead of 300,000 veterans found jobs YES – 14,673 special disabled vets found jobs	\$169,425	
1.1.4	YES – 66% instead of 65%	\$9,234	
2001		Met Performance Goal	
1.1.A.1	YES – 56.3%		
1.2.A.1	YES – 36.1% instead of 34%		
1.2.B.1	NO – 31% instead of 36%		
1.2.C.1	YES – 77% of VR&E Registrants found jobs		
1.3.A.1	NO – survey not conducted – Not funded		
1.3.B.1	NO – Not funded		
1.3.C.1	NO – 9.1% instead of 11%		
1.4.A.1	UKN – NVTI Hits		
2.1.A.1	YES – VETS coordinated with each WIA State		
2.1.B.1	NO		
2.1.C.1	NO – Not funded		
2.2.A.1	YES – 32.9% of veterans entered employment		
2.2.A.2	YES 30.2%		
2.2.B.1	UKN - Rolling average		
2.3.A.1	YES		
2.4.A.1	UKN - Need data (UMET HITS)		
2.4.B.1	UKN - Need data (increase E/E FR partnerships)		
2.4.C.1	UKN		
2.5.A.1	Not feasible to measure		

FY/GOAL		Total Budgetary Resources	FTE
2.5.B.1	UKN - Data not in yet		
2.5.C.1	YES 67.8%		
2002		State Goal	158,868
			87
1.1.	Case management services will be provided by DVOP staff to at least 12% of all registered disabled veterans. Of those, at least 40% will enter employment. (Note: These percentages are tentative and contingent upon the establishment of baseline data.)	*	* The new information collection system went into effect on July 1, 2002. Thus the data will be not available yet.
1.2.	At least 78% of job ready registered disabled veterans referred from VA VR&E and served by VETS funded staff will enter employment.	No – 68%	
2.1.A.1.	Increase the employment and retention rate of veteran job seekers registering for public labor exchange services: 55% of veteran job seekers will be employed in the first two quarters following registration.	*	
2.1.A.2	70% of those veteran job seekers entering employment will remain employed after two quarters.	*	
2.1.B.1	Increase the employment rate of veteran job seekers requiring staff assisted services. Baseline will be established in FY 2002: 60% of veteran job seekers will be employed in the first or second quarter following registration.	*	
2003		State Performance Goal	158,868
			87
1.2.1.A	Increase the employment and retention rate of veteran job seekers registering for public labor exchange services. 2) 58% of veteran job seekers will be employed in the first or second quarter following registration. 3) 72% of those veteran job seekers entering employment will remain employed after 6 months		
2004		State Performance Goal	89
1	Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services (Priority of Services)	\$208,337	

1.A	58% of veteran and 60% of disabled veteran job seekers will be employed in the first or second quarter following registration (with the Public Labor Exchange System/Wagner-Peyser Act).	\$175,417	
1.B	76% of veteran and 65% of disabled veteran job seekers will continue to be employed two quarters after initial entry into employment with a new employer		
1.C	78% of disabled veterans receiving intensive training and rehabilitative services will enter employment.		

State Grants Administration Activity Changes
Changes in 2004
(\$ in thousands)

Activity Changes:

Built-in

Total Built-in-.....0

Net Program Increase.....+\$3,547

Direct FTE..... 0

Base:

Estimate: \$158,868 FTE: 89

Program Increases:

A total of \$3,547,000 and 0 FTE are requested to enable VETS to meet its performance goal and indicators and enable the implementation of provisions of the Jobs for Veterans Act of 2002 (JVA). The program increase will enable the gradual transition from the current formula level funding allocated to States to the new formula in JVA with minimal disruption, and support compliance with JVA's requirement that one percent of the States funding be used to provide performance based incentive awards to staff, while enabling VETS to meet the performance goal.

Estimate: \$3,547 FTE: 0

U.S. Department of Labor
Veterans' Employment and Training Service

Performance Budget Issue Paper
State Grants

Applicable Performance Goal

This activity supports Strategic Goal 1: A Prepared Workforce
Outcome Goal 1.1 – Increased earnings, employment and assistance.

Requested Resources:

A total of \$162,415,000, an increase of \$3,547,000 is requested for this activity.

Past Performance Results:

	PY 1998 (FY 1999)	PY 1999 (FY 2000)	PY 2000 (FY 2001)	PY 2001 (FY 2002)
Entered Employment Rate for Veterans	26.7%	29.9%	32.9%	43% /1
Entered Employment Rate for disabled veterans	31.2%	32.2%	36.1%	

/1 due to a change in the approved information collection, which took effect on July 1, 2002, this figure represents performance during the first three quarters of the fiscal year (See explanation under Performance Indicators in Section II, A, above).

The retention rate at six months is a new measure based on an information collection that was approved in FY 2002, and implemented on July 1, 2002. FY 2004 will be the baseline year for measures developed for implementation by July 1, 2004 to conform to the employment and training common measures.

Rationale/Strategy and Impact on Future Performance Related to Resource Requested:

Eligible veterans will continue to rely heavily on State Workforce Agencies (SWA) and Local Veteran's Employment Representatives (LVERs) and Disabled Veteran's Outreach Specialists (DVOPs) to provide assistance with their employment needs. This need will be especially evidenced in FY 2001 and beyond with America's continued focus on the war on terrorism. To ensure compliance with program needs VETS has developed employment and retention performance measures, which along with an efficient reporting system; planned program incentives; and quality periodic assessments will ensure that employment services to veterans are effective and consistent with the VETS Strategic Plan, Annual Plan, Workforce Investment Act (WIA) of 1998 and Title 38, U.S. Code. Veteran employment goals should be attained consistent with appropriate funding. Increased funding would enable SWAs to hire more staff and thus provide more employment and training services to veterans who are most in need of services and subsequently yield higher entered employment rates. The request also includes funds to enable compliance with legislative requirements resulting from the Jobs for Veterans Act of 2002 (P.L. 107-288). This request enables funds to be made available for performance

awards as incentives (JVA requires that one percent of the funding be made available for this purpose), and a gradual transition from current funding levels to States during the transition to new funding levels based on JVA's new formula, while allowing VETS to meet its performance goal.

Impact of Non-Funding:

The State grants activity has been flat funded for several years and that has had a negative impact on the overall service delivery to veterans. Having to comply with the provision of JVA without some relief would further diminish service to veterans. The impact of a one percent performance award incentive fund, combined with the effect on the changing funding formula for States will have a significant negative impact on services to veterans during FY 2004.

Base Level Funding:

Base:

FTE: 89

Estimate: \$158,868,000

Program Changes:

FTE: 0

Estimate: +\$3,547

IT Requirements

VETS has coordinated with ETA the acquisition of data from the SWAs and established systems that permit analysis and storage of the data.

HOMELESS VETERANS' REINTEGRATION PROGRAM
ACTIVITY
(\$ in Thousands)

	FY 2003 Approp	FY 2003 Estimate	Difference Approp/Est	FY 2004 Estimate	Difference FY03/04
Activity Appropriation	17,500	17,500	0	19,000	1,500
Other Appropriations*	0	0	0	0	0
Other Resources	0	0	0	0	0
Other Activities					
DVOP	4,072	4,072	0	4,072	0
LVER	2,364	2,364	0	2,364	0
Fed Admin	1,404	1,404	0	1,589	185
NVTI	0	0	0	40	40
Total Resources	25,340	25,340	0	27,065	1,725
FTE	12	12	0	12	0

* VETS gives additional weight to participation in VA and HUD programs when evaluating grant applications, since resources provided by other agencies reduces the funding amount required to sustain projects.

This activity, together with Federal Administration, VWIP, NVTI, DVOP and LVER supports the Prepared Workforce Goal and contribute to the VETS' Performance Goal 1.

I. Introduction

Homeless veterans reintegration program. - Provides grants to States or other public entities and non-profits, including faith-based organizations, to operate employment programs that reach out to homeless veterans and help them become employed. Liaison with, and coordinate with the Departments of Veterans Affairs and Housing and Urban Development to promote multi-funded programs and integration of the different services needed by homeless veterans. Grants are provided for both urban and rural areas.

This budget activity supports reintegration programs for homeless veterans under 38 U.S.C. 2021 (formerly 38 U.S.C. 4111 and 42 U.S.C. 11448). The Homeless Veterans' Reintegration Program (HVRP) has been successful in getting veterans who are homeless back into the economic mainstream and the civilian labor force in a cost-effective manner.

VETS is requesting a total of \$19,000,000, an increase of \$1,500,000 over the FY 2003 level. The additional funding will enable VETS to increase grantee capacity, focus on job retention, and support Incarcerated veterans pilot projects. At this level of funding the number of homeless veterans served is estimated at 16,800, of which slightly over 9,000 (based on a cost of \$2,100 per entered employment), will be helped into jobs. Of those entering employment it is anticipated that the number retaining jobs for six months or more will be 6,480. NVTI will provide training for grantees to increase their effectiveness and productivity. The funding provided will also support pilot demonstration projects for incarcerated veterans (per P. L. 107-95).

II. FY 2004 Performance Goal:

Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services

A. Performance Indicators

- 1.D 54% of homeless veterans enrolled in Homeless Veterans Reintegration Programs will enter employment
- 1.E 70% of homeless veterans will continue to be employed six months after entering employment.

The performance indicators are similar to previous years, but will change to comply with the proposed employment and training programs' common measures. Key to this program is the number of homeless veterans, which through outreach, agree to enroll in the program, those that enter employment and the job retention rate. The HVRP is an employment program, designed to facilitate reintegration into the economic and social mainstream. Thus, the number who enter employment, and those that remain employed after six months are realistic outcome measures of success. The performance indicators will change to conform to the common measures and new baselines will be established in FY 2004.

B. Purpose

These performance indicators directly relate to the fundamental mission of VETS and reflect the positive outcomes that VETS and its grantees provide, particularly for the hardest to serve veteran subgroups.

C. Critical Strategies

These two performance indicators are indicative of the high level of accountability that is promoted within the HVRP. The performance goal objectives will continue to be met, however some communities that are seeking to start programs will remain to be served. VETS requests additional funding to maintain adequate capacity by grantees while shifting resources and effort to the homeless veterans' job retention with a new employer. This request is consistent with the capacity of VETS to administer new projects and the ability to build capacity with new community based organizations, including faith-based organizations, to provide services to homeless veterans. Because of this, not all communities that could have a program will be funded from this request.

D. Past Performance Results and Future Projections at Full Funding Levels

Performance Goal Indicators <i>(Projections in Italics)</i>	FY 2001	FY 2002	FY 2003	FY 2004
At least 50% of veterans enrolled in the Homeless Veterans Reintegration Project grants enter employment	53% (4,843)			

At least 54% of veterans enrolled in HVRP enter employment		54% (10,000)	55% (9,000)	54% (9,000)
70% of homeless veterans will continue to be employed six months after entering employment				70% (6,300)

It is important to note that as additional funding is provided and new grantees start projects, the costs of start-up and inexperience increase the cost per placement of the total program. However, since grantees that perform well are evaluated favorably based on their performance during the competition, the productivity of more experienced grantees increases. VETS also looks at its own capacity in seeking additional funds, since HVRP grantees require more oversight and technical assistance than other grantees. VETS will, through partnering with the State Workforce Agencies, make better use of staff helping HVRP projects; encourage grantees to use other services available in the community; promote on-the-job-training, particularly on-the-job training using Worker Opportunity Tax Credit (WOTC) and helping the employer secure bonding for the homeless veteran; encourage grantees to follow-up with the State Workforce Agencies to determine outcomes and emphasize case management. VETS will also ensure contact is made with the veteran following completion of on-the-job-training and provide incentive bonuses to veterans to “stay in touch” for necessary follow-ups as a means of increasing retention.

E. FY 2004 Budgetary Request

Applicable Strategic Goal: A Prepared Workforce

Outcome Goal 1.1: Increase Employment, Earnings and Assistance

A total of \$19,000,000 is requested, an increase of \$1,500,000 over the FY 2003 request. VETS has considered the need to request funds sufficient to expand the program while enabling a controlled ramp-up of provider and its own capacity. Although requesting the authorized level would be desirable, VETS prefers a gradual increase. The request brings the number of homeless veterans helped into jobs to slightly over 9,000, and the number retaining jobs for six months to about 6,480. The request includes support for pilot demonstration projects for incarcerated veterans.

This particular program has widespread community and veteran service organization support. The VETS HVRP request considers our performance plan and the capacity of service providers. Many of the existing providers would compete for funds for either Urban or Non-Urban competitions, and more grantees would be funded. VETS continues to support stand-downs and would look for DVOP support of the employment program for most grantees. This level of funding will enable VETS to support demonstration projects for incarcerated veterans.

F. Cost Allocation

Performance Goal 1 – (Performance Indicators 1.D, 1E)	Resources (in 000s)
HVRP Grants	\$19,000
Direct Cost of All Outputs	\$19,000
Indirect Costs	0
Common Admin Systems	0
Total Resources for Performance Goal	19,000
Other Appropriations	0
Other Activities (See table above)	8,065
Total	27,365

**Homeless Veterans Reintegration Program Changes in 2004
(\$ in thousands)**

Activity Changes

Net Program.....	+\$1,500
Direct FTE.....	0

Base:

 Estimate: \$17,500 FTE: 12

Program Increases:

 Estimate: +\$1,500 FTE: 0

An increase of \$1,500,000 is requested to support the conduct of pilots to assist incarcerated veterans, to refocus effort towards job retention and to enable grantees to engage in capacity building.

Homeless Veterans Indicators

FY/GOAL		Total Budgetary Resources	FTE
2000	Met Performance Goal		
1.1.2	YES – 4,639 homeless vets find jobs	\$9,244	
2001	Met Performance Goal		
2.2.D.1	Final data not in yet		
2002	Performance Indicator		9

FY/GOAL		Total Budgetary Resources	FTE
2.2.	At least 54% of those veterans and other eligible persons enrolled in the Homeless Veterans' Reintegration Program (HVRP) will enter employment each year through assistance provided by VETS grantees.		
2003 Performance Indicator			9
1.2.2.	At least 54% of those veterans and other eligible persons enrolled in the Homeless Veterans' Reintegration Project (HVRP) will enter employment each year through assistance provided by VETS grantees.		
2004 Performance Indicator		\$27,065	9
1.D	54% of homeless veterans enrolled in homeless veterans reintegration programs will enter employment	19,000	
1.E	70% of homeless veterans will continue to be employed six months after entering employment		

**U.S. Department of Labor
Veterans' Employment and Training Service
Performance Budget Issue Paper**

Applicable Performance Goal:

Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services

Requested Resources:

An increase of \$1,500,000 is requested for the Homeless Veterans Reintegration Program, bringing the total request to \$19,000,000.

Past Performance Results:

	FY 1999	FY 2000	FY 2001	FY 2002
Entered Employment Rate for Homeless veterans	57.9%	53.6%	(not yet)	(not yet)
Retention after six months rate for Homeless veterans				New measure for FY 2002

Rationale/Strategy and Impact on Future Performance Related to Resource Requested:

The requested funding will enable VETS to help 9,000 homeless veterans into jobs. FY 2004 funding equates to an activity appropriation of \$19,000,000, which will provide additional support to an additional 16,800 homeless veterans. VETS strategy includes NVTI training support and tailoring resources to build new community based organizations, including faith-based organizations in providing services to homeless veterans. From a resource costs perspective we expect to help employ 54% of those enrolled in HVRP. This funding level will enable VETS to engage in capacity building with grantees and improve the overall program performance.

Impact of Non-Funding:

If the program increase is not funded, other Federal and state health and social programs will feel the burden of a greater number of individuals in need of their service. The HVRP has been a popular and successful program that moves homeless veterans from need for social program services to self-sufficiency. From a cost effectiveness standpoint, should this program increase not be funded the savings will not be realized, since it will cost other Federal agencies, i.e., HUD and VA, to keep homeless veterans who otherwise would have been employed, in shelters and to provide for them until they reach self-sufficiency.

Base Level Funding:

Base:
 Estimate: \$17,500,000 FTE: 12
 Program Changes:
 Estimate: +\$1,500,000 FTE: 0

IT Requirements: N/A

**VETERANS WORKFORCE INVESTMENT PROGRAM
ACTIVITY**
(\$ in Thousands)

	FY 2003 Approp.	FY 2003 Estimate	Difference Approp/Est	FY 2004 Estimate	Difference FY03/04
Activity Appropriation	7,300	7,300	0	7,550	250
Other Appropriations	0	0	0	0	0
Other Resources:	0	0	0	0	0
Other Activities:					
DVOP	3,337	3,337	0	3,337	0
LVER	3,150	3,150	0	3,150	0
Fed Admin	261	261	0	1,164	903
NVTI	0	0	0	31	31
Total Resources	14,048	14,048	0	15,232	1,184
FTE	9	9	0	9	0

This activity, together with Federal Administration, NVTI, DVOP and LVER supports the Prepared Workforce Goal and contributes to the VETS' Performance Goal 1.

I. Introduction

Veterans workforce investment program.- Provides grants mostly to public entities for training, retraining and employment opportunities for most-at-risk veterans, including those with service-connected disabilities, those with significant barriers to employment and recently separated veterans. Provides smaller grants to non-profit organizations, including faith-based organizations, to conduct pilot or demonstration employment programs for hard to serve veterans.

This budget activity supports efforts to ensure veterans' lifelong learning and skills development, under 29 U.S.C. 2913 (Veterans' Workforce Investment Programs - Sec. 168, Workforce Investment Act, P.L. 105-220) in programs designed to enable services to current eligible and targeted veteran subgroups with severe employability barriers. The Workforce Investment Act (WIA) in its Section 168 (29 U.S.C. 2913) expanded eligibility to veterans with severe economic and employment disadvantages. Under the new statutory authority, veterans with service-connected disabilities, veterans who have significant barriers to employment, veterans who served on active duty in the armed forces during a war or in a campaign or expedition for which a campaign badge has been authorized, and recently separated veterans are eligible for services. The resulting program will also consolidate models to offer other services available by other VETS programs (employment assistance, training and case management) to achieve an effective mix of interventions that lead to long term, higher wage and career potential jobs.

VETS will continue to offer high quality training and employment services to participants through the VWIP grants process to States and non-profit (including faith-based) organizations. Grantees will provide a full array of services and assistance to eligible veterans, which include

service connected disabled veterans, recently separated veterans, and veterans with employability barriers. Services offered will also include employment assistance and case management provided by the DVOP and LVER staff.

II. FY 2004 Performance Goal

Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services.

A. Performance Indicator

The performance indicators are maintained from previous years. Key to this program are the number of veterans with employability barriers, who are enrolled, receive training and employment services and obtain employment through the program. The VWIP is a training and employment program, designed to facilitate entry into the economic and social mainstream. Funding provided for this activity supports Strategic Goal 1 – A Prepared Workforce. VETS measures performance for this activity using a performance output measure, the number of hard-to-serve veterans who enter employment. For FY 2004, 2,500 veterans will enter employment. This activity will adhere to the employment and training program common measures and a baseline will be set for the common measures using the PY 2004 outcomes.

B. Purpose

These performance goals directly relate to the fundamental missions of VETS and reflect the positive outcomes that VETS and its grantees provide. This program is directed to the hard-to-serve veteran with multiple employment barriers.

C. Critical Strategies

The VWIP is a last resort training program, when available in a State, for veterans with severe or multiple employment barriers and recently separated veterans. VETS has been successful in its efforts to help new veterans obtain work through information concerning credential requirements and PROVET projects that help with placement. The new initiative has a twofold benefit – it will help alleviate the health care occupation shortages expected this decade, and by joining others (VA, DoD, SWAs) in this effort, the cost per placement is reduced by leveraging other resources. The initiative for health care occupations will also help alleviate the expected shortage of health care professionals.

D. Past Performance Results and Future Projections at Full Funding Levels

Performance Goal Indicators	FY 2001	FY 2002	FY 2003	FY 2004
Outputs: Number of participants that enter employment (<i>Projections in Italics</i>)	2,891	2,240	2,300	2,500

The funds provided in FY 2001 resulted in 4,362 veterans served and 2,891 entering employment at an average \$12.39 per hour wage rate.

E. FY 2004 Budgetary Request

Applicable Strategic Goal: A Prepared Workforce

Outcome Goal 1.1.- Increase Employment, Earnings and Assistance

Performance Goal: Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services

VETS has successfully tested an initiative PROVET, that has been successful in helping separating service members find jobs in their military occupations in the civilian sector. VETS now proposes to apply the PROVET concepts to an initiative designed to address expected shortages in the health care occupations.

VETS has conducted pilots in several States that either help separating service members qualify for, or find jobs in the civilian sector that are consistent with skills learned in military service. VETS would like funding to test this concept on a broader scale. There are many service members that have been trained in health care or health care support occupations while in the service and often lack minimal qualifications or training to qualify or be certified or licensed to work in that occupation upon their separation from military service. VETS is positioned to fill the skills gap between military health care occupations and the requirements of their civilian counterparts. VETS has been using pilots to identify best practices, has a working Internet presence (UMET) specifically designed to address the skills gap between military training and experience and the requirements in the civilian sector. VETS will partner with DoD and VA to carry this effort out. VETS requests an increase of \$250,000 above the FY 2003 level, for a total request of \$7,550,000 to carry out this effort in several pilot states.

VETS anticipates that up to four grants will be awarded to SWAs. The Solicitation for Grant Application will identify the specific requirements, which must be in place for an application to be successful; (1). There must be a health care entity or entities in a geographic area with a defined and urgent need to hire qualified workers; (2) There must be a substantial military presence at or near the area to serve as a source of recruits; (3). The state workforce agency (SWA) must dedicate personnel and management resources to the project; and (4) Linkages must be established with the Department of Defense, Department of Veterans Affairs, and state credentialing agencies to ensure their cooperation. Individuals eligible for Montgomery GI Bill (MGIB) benefits can use their monthly stipends (paid directly to participants) to defray living expenses, or some of the tuition costs while the individual is in training. MGIB benefits can also be used to pay the cost (up to \$2,000) of a credentialing examination. VETS believes that it will also improve recruitment results of the armed forces through the provision of a successful transition to civilian life of highly skilled health care workers.

F. Cost Allocation

Performance Goal Cost Allocation Summary

Performance Goal 1 – Performance Indicators (1A, 1B, 1C, 1D, 1E)	Resources (in 000s)
Direct Costs of All Outputs	7,550
Indirect Costs	0
Admin Systems	0
Total Resources for Performance Goal	7,550
Activity Appropriation Use	
Other Appropriations	0
Other Resources (Other activity support):	7,682
Federal Administration	1,164
NVTI	31
State Grants	6,487
Total Resources Veterans Workforce Investment Program	15,232

Department of Labor
Veterans’ Employment and Training Service

Performance Budget Issue Paper

Applicable Performance Goal:

Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services

Requested Resources:

An increase of \$250,000 is requested to conduct health occupations pilot, bringing the total request to \$7,550,000.

Past Performance Results:

	PY 1998 FY 1999	PY 1999 FY 2000	FY 2001	FY 2002
Participant veterans entering employment	2,546	2,464	2,891	(not yet)

Rationale/Strategy and Impact on Future Performance Related to Resource Requested:

Assist veterans with significant employment barriers in finding employment; provide special emphasis in helping veterans with medical military occupations to enter health care careers; and provide assistance with the projected shortage of qualified health care staff professionals. The requested funding of \$7,550,000 will enable continuing a competition for State Governors seeking additional assistance to provide training and employment services to hard to serve veterans with multiple employment barriers. The additional \$250,000 requested will make it

possible for VETS to pilot a health career program in several states to help separating service members enter health careers. If the pilots are successful, additional States will be encouraged to apply for funding in out years.

This activity is supported by DVOP and LVER staff, who provide on-site employability and career coaching and labor exchange assistance.

Impact of Non-Funding:

The VWIP helps a particular subgroup of veterans with multiple employability barriers or severe employability barriers. States having a substantial number of hard to serve veterans are encouraged to apply through a competition and VETS funds those with the most effective programs. Since this program addresses a particular need and target population of veterans, if funding ceased these veterans are not likely to get the same type of staff intensive assistance and training or no assistance whatsoever for those States that do not have a special program of this nature. In FY 2004, not funding the request for a program increase would result in the inability to pilot/demonstrate a new model for helping service members enter health careers that promises to alleviate the projected shortage of health professionals during this decade.

Base Level Funding:

Base:	
FTE: 9	Estimate: \$7,300,000
Program Changes:	
FTE: 0	Estimate: +\$250,000

IT Requirements: N/A

Veterans Workforce Investment Program
Changes in 2004
(\$ in thousands)

Activity Changes		
Net Program.....		+\$250
Direct FTE.....		0
Base:		
Estimate: \$7,300 FTE: 9		
Program Increases:		
Estimate: +\$250 FTE: 0		

An increase of \$250,000 is requested to support the conduct of pilots or demonstration projects to assist separating service members enter into health professions or occupations.

Veterans Workforce Investment Program Indicators

FY/GOAL		Total Budgetary Resources	FTE
2000	Met Performance Goal		9
1.1.3	YES – 2,126/1,927 (110%)	\$7,218	
2001	Met Performance Indicator	\$7,300	9
2.2.C.1	YES – 60.5%		
	Mission Critical Output Goal	\$15,232	
	A total of 2,500 veterans with employability barriers will enter employment Of these, about 500 separating service members will obtain employment in health care occupations.	\$7,550	

Performance Goal 2

Support our service members

	(\$ in thousands)				
	FY 2003	FY 2003	Difference	FY 2004	Difference
	Approp	Estimate	Approp/Est	Estimate	FY03/04
Activity Appropriation	0	0	0	0	0
DVOP	0	0	0	0	0
LVER	0	0	0	0	0
Homeless Veterans	0	0	0	0	0
Veterans Workforce	0	0	0	0	0
Investment Program					
Federal Administration	10,707	10,707	0	11,536	829
National Veterans'	0	0	0	120	120
Training Institute					
FTE	116	116	0	111	-5
Total Resources	10,707	10,707	0	11,656	949

Federal Administration and NVTI support both performance goals. The level of effort and funding contributed by NVTI and Federal Administration to Performance Goal 1 are indicated as "Other Activities" in each Activity which has such support. The Activity information provided below relates only to the level of effort and funding remaining in these two activities.

NATIONAL VETERANS EMPLOYMENT AND TRAINING SERVICES INSTITUTE ACTIVITY

(\$ in Thousands)

	FY 2003 Approp	FY 2003 Estimate	Difference Approp/Est	FY 2004 Estimate	Difference FY03/04
Activity Appropriation	0	0	0	2,000	2,000
Other Appropriations	0	0	0	0	0
Other Resources					
Total Resources	0	0	0	2,000	2,000
FTE	0	0	0	0	0
Total remaining for this Performance Goal	0	0	0	120	120

This activity, together with VWIP, HVRP, Federal Administration, DVOP and LVER supports the Prepared Workforce Goal and contribute to the Departmental Performance Goal 1. Part of this activity also supports Departmental Goal 3, Quality Workplaces and Performance Goal 2. That amount is shown in the last line of the table above.

I. Introduction

National Veterans Employment and Training Services Institute.- Administers the development of competency-based training courses, and the training of Federal and State government veteran service providers through a contract.

The National Veterans' Employment and Training Services Institute (NVTI) was established in 1986 and authorized in 1988 by P.L. 100-323. NVTI provides competency training to veteran service providers, its main thrust being ensuring universality of services for veterans and ensuring that all direct client service providers have been properly trained on their job, and to increase their productivity and knowledge of veterans services available. NVTI is presently administered by VETS staff through contract to the University of Colorado at Denver (UCD). The current contract ends in 2003 and will be competed in 2003.

The legislative proposal that would have transferred certain functions to the Department of Veterans Affairs (VA) did not include funding for NVTI, to enable the VA to determine how to address training. The legislative proposal was not enacted. Instead, the JVA was enacted and it continues the existence of the National Veterans Employment and Training Services Institute.

II. FY 2004 Performance Goal

This activity supports both of VETS' Performance Goals:

- Performance Goal 1: Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services.
- Performance Goal 2: Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.

Performance outputs for this activity have been the number of veteran service providers trained and the percentage of DVOP/LVER participants.

A. Performance Indicators for Critical/Core Functions

Performance outputs for this activity have been the number of veteran service providers trained and the percentage of DVOP/LVER participants.

- **Prepared Workforce:** The main purpose of NVTI is to ensure that veteran service providers are effective in their delivery of employment and training services to veterans. Furthermore, to ensure that veteran service providers are aware of the services and benefits available to veterans from other sources, and to ensure that there is universality in the delivery of services to veterans by State employees. An output performance indicator is the number of veteran service providers trained.
- **Quality Workplaces:** NVTI trains Federal staff in USERRA (basic), Veteran's Preference, Investigating Complaints, and Veteran Grants Orientation. These courses ensure that VETS' staff is competent in handling complaints from veterans and providing technical assistance to grantees. An output performance indicator is the number of VETS' staff trained.

B. Purpose:

VETS has recognized the need to formally train State and Federal staff involved in providing employment, reemployment, job training, outreach, placement and employability development services to veterans, reservists and separating service members. This contributes to increased productivity and effectiveness of staff and ensures the universality of service that veterans deserve.

C. Critical Strategies

The training provided by NVTI is evaluated for effectiveness through post-training follow-up with participants and their supervisors to determine the impact of the training. A critical strategy for FY 2004 is the introduction of certification of competencies through long distance training. The key effort heretofore has been directed at achieving competency within 180 days of the appointment of the veteran service provider so as to ensure that the service provider have the necessary knowledge, skills and abilities to effectively provide services to veterans. A strategy for FY 2004 is to assess the current competencies of veteran service providers who may have had training when they started working as a veteran service provider and have built on the training with experience to identify where new competencies may be required, such as a better understanding of the Workforce Development concepts, and provide off-site training to achieve the new competencies necessary to work within the new Workforce Development environment and the Jobs for Veterans Act. A new core competencies course will be developed to address changes in the State Workforce Development system and VETS statutory requirements.

D. Past Performance Results and Future Projections at Full Funding Levels

Performance Goal Outputs: Prepared Workforce <i>(Projections in Italics)</i>	FY 2001	FY 2002	FY 2003	FY 2004
DVOP/LVER staff trained	1,984	1,441	0	<i>1,344</i>
Total Participants Trained	2,424	1,605	0	<i>1,620</i>

Performance Goal Outputs: Quality Workplaces <i>(Projections in Italics)</i>	FY 2001	FY 2002	FY 2003	FY 2004
USERRA/Veteran's Preference				
Participants Trained	135	115	72	<i>120</i>

E. FY 2004 Budgetary Request

A total of \$2,000,000 is requested for this activity. At this level, VETS will continue to provide TAP training, Case Management/Career Coaching, Managing Case Management, Labor Exchange (a new core competencies labor exchange course will be developed by FY 2004), Veterans' Benefits, KSA Certification, and Employer Job Development in support of *A Prepared Workforce*. For Federal staff, training will be provided for USERRA, Veteran's Preference, Investigating Complaints, Managing VETS Programs (new course), Veteran Grants Orientation, and if resources permit, the development of courses addressing VETS staff management and career development competencies. VETS also intends to train more veteran service providers through less costly off-site training. The FY 2003 request did not include NVTI. The request was based on a legislative proposal that included a transfer of functions to the VA.. The legislative proposal was not enacted. The total requested is an increase of \$2,000,000 over the FY 2003 request. This amount is requested to bring NVTI back to its pre-proposed transfer level.

Department of Labor
Veterans' Employment and Training Service

Performance Budget Issue Paper

Applicable Performance Goals:

Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services.

Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.

Requested Resources:

An increase of \$2,000,000 is requested to provide necessary competency training to direct veteran service providers and others that contribute directly to services to veterans. This is a necessary human capital investment not only for VETS employees who provide direct services to veterans (USERRA and Federal veterans' preference), but necessary to make sure that veterans receive the same level of services regardless of the State in which they seek help or grantee providing assistance. In addition, training provided by NVTI ensures competent and efficient help for veteran job seekers and supports effective delivery of employment and training services to veterans, particularly hard-to-serve veterans.

Past Performance Results:

Strategic Goal Outputs: Prepared Workforce <i>(Projections in Italics)</i>	FY 2001	FY 2002
DVOP/LVER staff trained	1,984	1,441
Total Participants Trained	2,424	1,605

Strategic Goal Outputs: Quality Workplaces <i>(Projections in Italics)</i>	FY 2001	FY 2002
USERRA/VP Participants Trained	135	115

Rationale/Strategy and Impact on Future Performance Related to Resource Requested:

Competency based training for veteran service providers is a key factor in the success of VETS and its programs. The training provided is what enables trained veteran service providers to assist veterans with significant employment barriers in finding employment; to provide special emphasis in helping veterans with significant barriers to employment to enter into new careers;

and provide intensive assistance, including case management as necessary to make sure veterans receive appropriate help. This resource is critical for FY 2003 and 2004 as VETS implements the Jobs for Veterans Act. The change of direction brought by the Act will require re-training of VETS-funded staff and a focusing of the training effort to make sure the training still leads to more productive veteran service providers within a new workforce development environment. Also, the new training, which will take into account new roles and responsibilities for the VETS-funded staff, will need to be followed by an assessment to enable certification of skills. The training resources requested are necessary to ensure a smooth transition and continue to provide excellent employment and training services to veterans.

Impact of Non-Funding:

VETS’ employees will still need training, as will DVOP specialists, LVERs, TAP presenters, other direct veteran service providers, and public labor exchange staff. The competency training will still be necessary to provide effective services to veterans. Not funding NVTI will likely result in States, Grantees and VETS paying more for less effective competency training from other sources.

Base Level Funding:

Base:

FTE: 0

Estimate: \$0

Program Changes:

FTE: 0

Estimate: +\$2,000,000

IT Requirements: N/A

**Changes in 2004
(\$ in thousands)**

<u>Activity Changes</u>	
Built-in:	
Total Built-in.....	0
Net Program.....	+\$2,000
Direct FTE.....	0
<u>Base:</u>	
Estimate: 0 FTE: 0	
<u>Program Increases:</u>	
Estimate: +\$2,000 FTE: 0	

An increase of \$2,000,000 is requested to support the conduct of competency training to veteran service providers at the pre-proposed transfer level.

F. Cost Allocation

Mission Critical Cost Allocation Summary

Strategic Goal 1 – Prepared Work Force	Resources (in 000s)
Direct Costs of All Outputs	\$1,880
Indirect Costs	0
Admin Systems	0
Total Administration and Other Resources /1	1,880
Total Resources for Core Function	1,880
Other Appropriations (Included above)	0

This amount supports several activities and the level of support is indicated in each of the activities that support Performance Goal 1.

Performance Goal 2 – Quality Workplaces - USERRA/VP	Resources (in 000s)
Direct Costs of All Outputs	\$120
Indirect Costs	0
Admin Systems	0
Total Administration and Other Resources	120
Other Appropriations (Included above)	0

FEDERAL ADMINISTRATION ACTIVITY

(\$ in Thousands)

	FY 2003 Approp	FY 2003 Estimate	Difference Approp/Est	FY 2004 Estimate	Difference FY03/04
Activity Appropriation	26,669	26,669	0	29,028	2,359
Other Appropriations	0	0	0	0	0
Other Resources	0	0	0	0	0
Total Resources	26,669	26,669	0	29,028	2,359
FTE	250	250	0	250	0
Resources supporting Performance Goal 1	15,328	15,328	0	17,492	2,164
FTE	134	134		139	5
Resources remaining in support of Performance Goal 2	10,707	10,707	0	11,536	829
FTE	116	116		111	-5

This activity, together with VWIP, HVRP, NVTI, DVOP and LVER supports the Prepared Workforce Goal and contribute to the Departmental Performance Goal 1. Part of the total activity appropriation of \$29,028,000 (An increase of \$2,359,000 over FY 2003) is allocated in direct support of State Grants, HVRP and VWIP. Part of this activity also supports DOL's Strategic Goal 3, which includes the USERRA, Veteran's Preference and Federal Contractor efforts.

I. Introduction

Administration.- Identifies policies and programs to serve and meet employment and training needs of veterans. Monitors the States provision of priority of service to veterans. Evaluates job training and employment assistance services to veterans and provides technical assistance to States to ensure they meet negotiated performance goals. Work with States to provide incentive awards for outstanding performance. Coordinates a Transition Assistance Program with the Departments of Defense and Veterans Affairs. The program ensures the provision of labor market and employment related information and other services to military service members separating from active duty to expedite and facilitate their transition from military to civilian employment. Administers programs designed to help homeless veterans become gainfully employed, and help service connected disabled veterans and others with significant employment barriers obtain training and employment assistance. Promotes the concept of hiring veterans with employers, particularly Federal contractors. Provides information and investigates complaints, to help veterans, reservists and members of the National Guard obtain employment and reemployment rights, including helping eligible veterans obtain preference in Federal employment.

This activity supports the Federal staff of the Veterans' Employment and Training Service (VETS), and provides funding for all its activities except for grant funds and the National Veterans' Training Institute. These activities are summarized in more detail below.

VETS is responsible for ensuring that the legislative mandates for providing special services to veterans, Reservists, National Guard members, and other eligible persons are provided by the DOL and its grantees in accordance with Chapters 41, 42, and 43 of Title 38, United States Code. VETS administers grants-to-States for the Local Veterans' Employment Representative (LVER) program and the Disabled Veterans' Outreach Program (DVOP). It also administers grants-to-States and other entities as authorized under the Veterans' Workforce Investment Programs (formerly JTPA-IVC) and Homeless Veterans Reintegration Programs (HVRP). VETS also ensures the delivery of services by State Workforce Agencies (SWAs) to veterans on a priority basis through on-site monitoring and management assistance.

VETS acts as liaison with other Federal agencies, including the Office of Personnel Management, to protect veterans' hiring preference in the Federal sector; the Office of Federal Contract Compliance Programs, to ensure the enforcement of affirmative action requirements for special disabled and campaign badge veterans; and the Department of Veterans Affairs, to coordinate vocational rehabilitation and on-the-job training programs. In addition, VETS coordinates with the Departments of Defense and Veterans Affairs to conduct the Transition Assistance Program (TAP) providing service members separating from active duty with labor market information and job search skills training to expedite their transition from military to civilian employment. VETS maintains an Internet web site that enables Federal Contracting Officers to check on federal contractors' submission of the VETS-100.

There are several mission critical/core functions of the Veterans' Employment and Training supported by this activity:

- **Transition Assistance Program (TAP):** Title 10, U.S.C. Chapter 58, authorizes DOL to help DoD and VA in providing transition assistance services to separating service members and their spouses. DOL's role is to provide employment search workshops. SWA, DVOP and LVER staff are the primary source for TAP workshop facilitation. However, due to the distances from many of the State Employment Offices to the military installations, and to assist with the rapid growth of the program, contract facilitators were added in early FY1992 and Federal staff in FY 1996.
- **Federal Contractor Program (FCP):** Title 38, U.S.C. 4212 as amended, requires entities receiving one or more Federal contract(s) or sub-contract(s) of \$100,000 or more to take affirmative action to employ and advance in employment qualified disabled veterans, recently separated veterans and other veterans who have served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized. The Veterans Employment Opportunities Act (VEOA) of 1998 (P.L. 105-339) amended Title 38, and requires Federal Contractors submit annual VETS-100 Reports prior to receiving approval of any additional Federal funding. This law also introduced new reporting requirements for (1) other eligible veterans, defined as veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized; and (2) the maximum and minimum number of employees during the period covered by the report. The Jobs for Veterans Act of 2002 (P.L. 107-288) increased the threshold amount to \$100,000 and changed eligibility to disabled veterans; campaign or expedition badge recipients, Armed Forces service medal under Executive Order 12985; and recently separated veterans.

VEOA also mandates Federal Government Contracting Officers verify current VETS100 reports are filed prior to contract awards. VETS provides access to the VETS-100 database to all Federal Government Contracting Officers. Federal Government Contracting Officers are also required to list all contract awards in Federal publications as Federal Procurement Data Systems or FedBizOpps (www.eps.gov).

The VETS-100 database VETS developed and maintains includes just under 50,000 Federal Contractors and Subcontractors submitting approximately 200,000 reports for their hiring locations through hard copy, electronic submission, computer disk or printout. VETS provides these Federal Contractors with an annual mailout containing all required forms and information to assist them in understanding their filing obligations. Additionally, a second delinquency mailing is sent to those who do not respond to the initial mailing. In 2001 this initial mailing was sent to almost 50,000 employers and the second mailing to over 18,000.

VETS also has developed a second database, FCAIS, listing all Federal contract awards for use in the state offices at the local levels for employer on site visits and job development. VETS' primary emphasis with respect to the FCP has focused on employer obligations as Federal Contractors to include annual reporting of target veteran data, affirmative action, outreach and more recently a Pilot initiative. This Pilot which will be conducted in six states, will identify employers who have reported no veterans employed nor hired during the past reporting cycle. They will be provided assistance, including providing outreach, technical and referral assistance so that qualified veteran referrals can be provided if and when the employer has employment opportunities. These sites are being monitored and analyzed by VETS.

- **Veteran's Preference:** Federal agency Veterans' Preference is provided to veterans who are disabled or who served on active duty in the Armed Forces during certain specified time periods or in military campaigns (preference eligibles). These veterans receive preference in hiring from competitive lists of eligible individuals and also in retention during reductions in force. The VEOA gave the U.S. Department of Labor (VETS) the responsibility to investigate formal complaints from preference eligibles who allege that a Federal agency has violated such individual's rights under any statute or regulation relating to veterans' preference.

- **USERRA:** USERRA provides reemployment rights for uniformed service members following qualifying service in the uniformed services. It prohibits employer discrimination against a person on the basis of that person's prior military service, current military obligations or intent to join a uniformed service. The law also prohibits employer retaliation against a person who seeks to enforce USERRA rights or assists in an investigation or court proceeding. On behalf of the Secretary of Labor, the Veterans' Employment and Training Service (VETS) administers USERRA, investigates complaints, and performs educational outreach activities.

The Department of Labor has made a commitment to improve voluntary compliance with employment laws by enhanced efforts to inform workers and employers of their rights and obligations under the laws it administers and enforces. In keeping with this commitment,

VETS' primary emphasis with respect to the USERRA program has shifted from enforcement activities to compliance assistance activities.

II. FY 2004 Performance Goals

This activity supports both VETS' performance goals:

Performance Goal 1: Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services.

Performance Goal 2: Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.

The performance indicators are changing from previous years. Keys to this activity, as it relates to performance goal 1 - A Prepared Workforce, are the number of Transition Assistance Program workshop participants, and for Quality Workplaces, the quality of USERRA and Veteran's Preference cases processed and their relevance to the needs of veterans and service members. There are no performance indicators for workloads related to grants administration although it is a substantial portion of the VETS staff time. The outcomes will be measured through their performance indicators and VETS staff will be held accountable for meeting the outcome indicators.

A. Performance Indicators for Critical/Core Functions

The performance indicators are changing from previous years. Keys to this activity, as it relates to Strategic goal 1, A Prepared Workforce, are the number of Transition Assistance Program workshop participants, and grants' administration outcomes, and for Quality Workplaces, the quality of USERRA and Veteran's Preference cases processed and their relevance to the needs of veterans and service members.

Prepared Workforce

The key effort is policy guidance, technical assistance and monitoring of grants to ensure they meet negotiated performance goals. TAP is a mission critical function in support of A Prepared Workforce. VETS output goal for TAP is to provide sufficient workshops to serve 129,000 TAP participants, while keeping the class size as close to 35 as feasible. Also, VETS will explore extending TAP workshop efforts to support service members overseas. TAP also contributes to Performance Goal 1, indicators 1A, 1B, and 1C, and performance of this function will also be measured in part by those performance indicators.

Quality Workplaces:

USERRA: There is no indicator for the Quality Workplaces goal – Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment. Performance indicators will be developed as a result of a survey to be conducted by the Department in FY 2003 to identify key indicators. The performance measure will be to establish a baseline of key problem areas for reduction in USERRA cases filed by veterans and service members. This goal has been revised from the previous USERRA goal to reflect the shift in emphasis to compliance assistance. Previous goals related to processing of USERRA complaints. This goal supports Secretary's goal 3.2 – *Foster Equal Opportunity Workplaces*.

Federal Contractor Program: VETS' output/internal indicator for the Federal Contractor Program is to increase the percentage of Federal Contractors and Subcontractors reporting through VETS-100 Reports. Also, VETS will provide compliance assistance to Federal Contractors and Subcontractors who have submitted VETS-100 reports with a hiring rate for target veterans below 11% of total hires.

Veteran's Preference: VETS' output/internal indicator for Veteran's Preference is how well cases are processed against established procedure and guidance. VETS developed quality assurance guidelines to be utilized in reviewing VP cases utilizing FY 2002 review as the baseline. The quality assurance program is an annual review.

B. Purpose:

Transition Assistance Program: VETS will continue to reach the highest number of participants available, including their spouses, while maintaining a reasonable number of participants per workshop (since that facilitates questions and interaction) and provide support to military services overseas.

USERRA: VETS has developed a survey to be conducted with members of the Reserve components and recently separated veterans to determine their understanding of their entitlements under USERRA and whether they believe their employers are providing those entitlements. The survey is conducted every three years and involves samples of National Guard and Reserve members as well as selected veterans two years following participation in Transition Assistance Program (TAP) classes.

Based on the results of the survey, VETS, during the "out years," redirects agency compliance assistance efforts as necessary to address any problems identified. Problems could involve lack of knowledge on the part of employers or protected persons or a disproportionate number of complaints received concerning a specific provision of USERRA. Action to increase effectiveness of information will be developed as a result of the survey.

Federal Contractor Program: Based upon the results of the annual mailings, the data collected, the Pilot efforts and the joint internal efforts between VETS and OFCCP in enhancing this program the agency will redirect compliance efforts as necessary in this

program. Currently the Memorandum of Understanding that outlines responsibilities between VETS and OFCCP is being renegotiated to enhance operations to promote additional coordinated efforts to this end. OFCCP and VETS are jointly planning training sessions, marketing events, compliance review efforts, and Contractor information packets. As data is collected and analyzed annually, problems will be identified to assist employers in meeting the Federal mandates and ensuring compliance with the Federal Contractor Program. Changes brought about by the Jobs for Veterans Act will be implemented by FY 2004.

Veteran's Preference: Based on the results of the annual quality assurance review, areas of weakness will be strengthened by use of additional investigator training and/or mentoring. An additional bonus from this process redirects agency compliance assistance efforts, as necessary, to address any problems with specific Federal agencies.

C. Critical Strategies

TAP: VETS will expand TAP to reach military service members overseas. VETS started exploring the kinds of support it can give to overseas TAP in FY 2002. Every effort will be made to provide additional support consistent with resources available. Efforts are also underway to capture more information on TAP participants to enable tying them with subsequent labor exchange assistance and employment.

USERRA: VETS will modify its USERRA training based on survey-identified eligible needs. VETS will conduct a survey in FY 2003 and conduct an analysis of the survey to properly identify what, if any, corrective action may be required to rectify weaknesses uncovered through the survey. The results, together with recommendations from an internal committee that is looking at competencies and needs, will be used to develop and provide better training to the staff. Another thrust will be guidance to staff on the new goal, and the fact that quality is not only timeliness of processing. VETS will, from a human capital investment standpoint, seek other training available from DOL that contributes to the competencies of VETS staff.

Federal Contractor Program: VETS will pursue activities specifically designed to promote employer awareness, provide on site guidance and maximum understanding of FCP. As specific issues are identified through the pilot project started in FY 2003, improvements will be implemented. VETS will also look at the President's National Hire Veterans Committee to provide support in this area.

Veteran's Preference: VETS will implement new efforts as a result of quality assurance review findings and will develop approaches or guidance as may be required to eliminate issues discovered during the reviews. As with USERRA, guidance will be issued to staff on being more responsive to veterans' needs during case processing; regarding quality being more than timeliness; and identifying competency training needs.

In addition, as a result of the Jobs for Veterans Act, VETS' strategies will include the development of an Electronic One-Stop Career Center; support for the President's National Hire Veterans Committee and launching such an effort; and other enhancements to program activity in support of VETS Performance Goal 1. VETS staff will also be involved in the development of information collections and regulatory actions, consistent with the Jobs for Veterans Act and new common performance measures for veteran employment and training programs.

D. Past Performance Results and Future Projections at Full Funding Levels

Performance Goal Outputs: Prepared Workforce: TAP <i>(Projections in Italics)</i>	FY 2001	FY 2002	FY 2003	FY 2004
Transition Assistance Program Participants	110,796	104,000	<i>125,000</i>	<i>129,000</i>
Class Size	35.5	33	35	35

Performance Goal Outputs: Quality Workplaces <i>(Projections in Italics)</i>	FY 2001	FY 2002	FY 2003	FY 2004
USERRA				
Cases Opened	895	1,195	<i>1,200</i>	<i>1,400</i>
Cases Processed	843	1,135	<i>1,100</i>	<i>1,325</i>
Cases Carried Over to next FY	102	162	<i>252</i>	<i>327</i>
Cases processing within 90 days	90%	90.5%		
Veteran's Preference				
Cases Opened	274	304	<i>330</i>	<i>360</i>
Cases Processed	278	305	<i>250</i>	<i>250</i>
Cases Carried Over to next FY	19	18	<i>148</i>	<i>258</i>

E. FY 2004 Budgetary Request

A total of \$29,028,000 is requested for this activity. At this level, VETS will continue to provide TAP services in support a Prepared Workforce; continue investigation of USERRA complaints, with increased efforts on the quality of the handling of complaints and increasing compliance assistance activities as preventive measure. Veteran's Preference emphasis will be in compliance assistance to Federal agencies and the quality of the complaints' processing. Licensing and certification efforts will continue and as resources permit be expanded.

F. Cost Allocation

Performance Goal Allocation Summary

Performance Goal 1 – Prepared Work Force: (1A, 1B, 1C, 1D, 1E)	Resources (in 000s)
Total Administration and Other Resources	17,492
Indirect Costs	0
Admin Systems	0
Total Resources for Performance Goal	17,492
Other Appropriations (Included above)	0
Other Resources	0

Mission Critical/Core Function Outputs

Core Function – Prepared Work Force: TAP (1A, 1B, 1C)	Resources (in 000s)
Direct Costs of All Outputs	4,687
Indirect Costs	0
Admin Systems	0
Total Resources for Mission Critical	4,687
Support by Other Activities	0
DVOP	(2,503)
LVER	(4,724)
NVTI	(60)
Other Resources	0

Core Function – Quality Workplaces - USERRA	Resources (in 000s)
Direct Costs of All Outputs	\$7,451
Indirect Costs	0
Admin Systems	0
Total Resources for Performance Goal	7,451
Other Appropriations	0
Other Activities - NVTI	90
Other Resources	0

Core Function – Quality Workplaces Veteran’s Preference (Mission Critical/Core Function)	Resources (in 000s)
Direct Costs of All Outputs	\$2,326
Indirect Costs	0
Admin Systems	0
Total Administration and Other Resources	2,326
Other Appropriations	0
Other Activities - NVTI	30
Other Resources	0

Core Function Strategic Goal 3 – Quality Workplaces Federal Contractor Program (Mission Critical/Core Function)	Resources (in 000s)
Direct Costs of All Outputs	\$1,292
Indirect Costs	0
Admin Systems	0
Total Administration and Other Resources	1,292
Other Appropriations ((Included above)	0
Other Resources	0
Other Activities (NVTI)	0

Federal Administration Indicators

FY/GOAL		Total Budgetary Resources	FTE
2000	Met Performance Goal		255
3.1.1	YES – 90% instead of 85%	\$5,657	
3.1.3	NO	\$4,863	
2001	Met Performance Goal		250
2.6.A.1	Need Data (93% quality)		
2.6.B.1	YES – (90%, 96%, 99.9%)		
2.6.C.1	Need data (VP Baseline)		
2002	State Goal		
2.3	Provide TAP workshops to 67% of separating service members – 64%		28
3.2.B	Develop a baseline of Veterans’ Preference cases handled in an appropriate manner as defined by program procedure guidelines. Yes		25

FY/GOAL		Total Budgetary Resources	FTE
2003		State Goal	
3	Develop a baseline of USERRA cases handled in an appropriate manner as defined by program procedure guidelines.		86
	Develop a baseline of Veterans' Preference cases handled in an appropriate manner as defined by program procedure guidelines and customers.		
2004		\$17,492	38
Performance Goal 1			
1	Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services (Priority of Services)		
1.A	58% of veteran and 60% of disabled veteran job seekers will be employed in the first or second quarter following registration (with the Public Labor Exchange System/Wagner-Peyser Act).		
1.B	76% of veteran and 65% of disabled veteran job seekers will continue to be employed two quarters after initial entry into employment with a new employer		
2004		11,656	111
State Mission Critical/Core Function Goal			
2	Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.		
2	Establish a baseline of key problem areas for reduction in USERRA cases filed by veterans and service members.		

Department of Labor
Veterans' Employment and Training Service

Performance Budget Issue Paper

Applicable Performance Goal:

Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services

Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.

Requested Resources:

An increase of \$2,359,000 is requested Federal Administration, bringing the total to \$29,028,000.

Past Performance Results:

(See Federal Administration above)

Rationale/Strategy and Impact on Future Performance Related to Resource Requested:

VETS' employees are involved in the full set of functions related to veterans employment, reemployment and training, including transition assistance to separating service members. VETS' continuous improvement planning has facilitated taking additional responsibilities without additional staff or resources over the years. However, several legislative requirements of the JVA cannot be absorbed through mere continuous improvement. Assistance beyond the base is necessary to implement new mandates of the JVA.

The Jobs for Veterans Act of 2002 requires the establishment of the President's National Hire Veterans Committee and to mount such an effort; to develop an electronic One-Stop Career Center for veterans; and other enhancements. The funding requested enables VETS to meet its performance goals and comply with the JVA requirements.

Impact of Non-Funding:

The JVA represents a consensus of change required to bring VETS into the quickly changing environment of the public labor exchange and Workforce Investment Programs. The funding of some of the indicated enhancements is necessary to accommodate these changes. The funding requested will also enable VETS to improve its operations and facilitate meeting the Secretary's Strategic Goal of A Prepared Workforce.

Base Level Funding:

Base:

FTE: 250

Estimate: \$26,669,000

Program Changes:
 FTE: 0

Estimate: +\$ 2,359,000

IT Requirements: N/A

**Federal Administration
 Changes in 2004
 (\$ in thousands)**

Activity Changes

Built-in:	UTF
To provide for pay raise effective January 2003 (Annualized).....	204
To provide for pay raise effective January 2004.....	227
To provide for one extra of pay	62
To provide for increased costs of benefits	239
To provide for increased communication, rental costs.....	40
To provide for increased costs of (WCF) svcs.....	188
To reduce training services (transfer to NVTI).....	-255
Total Built-in.....	705
Net Program.....	+\$1,654
Direct FTE.....	

Base:

Estimate: \$26,669	FTE: 250	26,669
--------------------	----------	--------

Program Increases:

Estimate: +\$2,359	FTE: 0	2,359
--------------------	--------	-------

An increase of \$1,654,000 is requested to support the President's National Hire Veterans Committee and implementation of a campaign to support the hire of veterans (\$1 million); implementing an electronic One-Stop Career Center concept for veterans (\$0.5 million); and other enhancements indicated in the Jobs for Veterans Act of 2002.

Cost Allocation Summary

Strategic Goal 1 – Prepared Work Force: (1A, 1B, 1C, 1D, 1E)	Resources (in 000s)
Direct Cost of All Outputs	\$208,337
Indirect Costs	0
Admin Sys	0
Total Resources for Performance Goal	\$208,337
Other Appropriations	0
Other Resources	0

Strategic Goal 3 – Quality Workplaces - 2A (USERRA/VP)	Resources (in 000s)
Direct Cost of All Outputs	\$11,656
Indirect Costs	0
Admin Sys	0
Total Resources for Performance Goal	\$11,656
Other Appropriations	0
Other Resources	0

APPENDIX

Summary of Changes (Table in thousands)

	FY 2003	FY 2004	Net Change
Budget Authority			
General Funds.....	\$24,800	26,550	+1,750
Trust Funds.....	185,537	193,443	7,906
Total	210,337	219,993	9,656
 <u>Full-Time Equivalent</u>			
General Funds	0	0	0
Trust Funds.....	250	250	0
Total	250	250	0
	<u>Trust Funds</u>	<u>General Funds</u>	<u>Total</u>
	<u>FTE</u> <u>Amount</u>	<u>FTE</u> <u>Amount</u>	<u>FTE</u> <u>Amount</u>
Explanation of Change:			
A. Built-in:			
Annualization of pay increase effective January 2003	0	204	0
Federal pay raise effective in January 2004.....	0	227	0
One extra day of pay in FY 2004.....	0	62	0
Personnel Benefits.....	0	239	0
GSA Space Rental.....	0	40	0
Other Services.....	0	-255	0
Payments to the Working Capital Fund.....	0	188	0
Contracts.....	0	0	0
Supplies and Materials.....	0	0	0
Equipment.....	0	0	0
Subtotal.....	0	705	0
B. Program:			
To provide for an increase in the Homeless Veterans Activity (FY 2004 Base: 0 FTE Budget Authority \$17,500,000).....	0	0	1,500
To provide for an increase in Veterans Workforce Investment Program (FY 2004 Base: 0 FTE Budget Authority: \$7,300,000).....	0	0	250
To provide for an increase in the Federal Administration Activity (FY 2004 Base; 0 FTE Budget Authority: \$26,035,000).....	0	1,654	0
To provide for an increase in the State Grants Activity (FY 2004 Base: 0 FTE, Budget Authority \$162,415,000).....	0	3,547	0
To provide for an increase in the NVTI Activity (FY 2004 Base: 0 FTE, Budget Authority \$2,000,000).....	0	2,000	0
Subtotal	0	7,201	1,750
Total Increase.....	0	7,906	1,750

Note: Legislation was proposed in the FY 2003 budget request to move certain veteran employment functions to the Department of Veterans Affairs. The legislation was not enacted.

**Veterans' Employment and Training Service
Budget Activity Totals
(\$ in 000s)**

	FY 2002	FY 2003	FY 2004 REQUEST
Disabled Veterans' Outreach Program.....	81,615	81,615	
Local Veterans' Employment Representative.....	77,253	77,253	
State Grants.....	158,868	158,868	162,415
Federal Administration.....	25,848	26,669	29,028
National Veterans' Training Institute	2,000	0	2,000
Unemployment Trust			
Fund.....	186,716	185,537	193,443
Homeless Veterans' Reintegration Program.....	18,250	17,500	19,000
Veterans Workforce Investment Program.....	7,550	7,300	7,550
General Funds.....	25,800	24,800	26,550
Total.....	212,516	210,337	219,993

Note: Legislation was proposed in the FY 2003 budget request to move certain veteran employment functions to the Department of Veterans Affairs. The legislation was not enacted

BUDGET AUTHORITY BY OBJECT CLASS

Veterans' Employment and Training Service

(\$ in thousands)

	FY 2002 Actual	FY 2003 Approp Estimate	FY 2004 Estimate	Change
Total number of Full-Time Permanent	250	250	250	0
Full-Time Equivalent	250	250	250	0
Full-Time Permanent	242	249	249	0
Other	1	1	1	0
Reimbursable	0	0	0	0
Total	243	250	250	0
Average ES Salary	125	125	125	0
Average GM/GS Grade	11.06	11.06	11.06	0
Average GM/GS Salary	63	63	65	2
11.1 Full-Time Permanent	\$15,847	\$15,952	\$16,436	+\$484
11.3 Other than Full-Time Permanent	75	78	78	0
11.5 Other Personnel Compensation	241	241	250	+9
11.9 Total Personnel Compensation	15,976	16,271	16,764	+493
12.1 Civilian Personnel Benefits	3,695	3,695	3,934	+239
13.0 Benefits of Former Personnel	11	0	0	0
21.0 Travel and Transportation of Persons	1,343	1,343	1,583	+240
22.0 Transportation of Things	78	78	124	+46
23.1 Rental Payments to GSA	784	784	824	+40
23.2 Rental Payments to Others	1,918	1,468	1,474	+6
24.0 Printing and Reproduction	272	171	291	+120
25.1 Other Services	108	374	1,398	+1,024
25.2 Training	1,932	1,633	3,308	+1,675
25.3 Purchases from Gov't Accounts	1,956	2,558	3,063	+505
25.7 Operation and Maintenance of Equip	2,379	609	623	+14
26.0 Supplies and Materials	96	96	98	+2
31.0 Equipment	200	200	204	+4
41.0 Grants	181,581	181,057	186,305	+5,248
Total	212,516	210,337	219,993	+9,656
IT Crosscut	62	0	0	0
TOTAL, BA by Object Class	\$212,578	\$210,337	\$219,993	+\$9,656

Note: Legislation was proposed in the FY 2003 budget request to move certain veteran employment functions to the Department of Veterans Affairs. The legislation was not enacted.

Budget Activity by Strategic Goal
FY 2004 Total Resources
(\$ in 000s)

	Prepared Workforce	Secure Workforce	Quality Workforce	Total
Unemployment Trust Funds				
State Grants Administration	162,415			162,415
Federal Administration	17,492		11,536	29,028
National Veterans' Training Institute	1,880		120	2,000
General Funds				
Homeless Veterans' Reintegration Program	19,000			19,000
Veterans Workforce Investment Program	7,550			7,550
Grand Total	208,337		11,656	219,993

APPROPRIATION HISTORY
(\$ In Thousands)
Veterans' Employment and Training Service

		Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriation	FTE
1993	1/	170,852	187,308	182,742	182,272	285
1994		186,648	186,648	186,648	186,648	278
1995	2/3/4/	190,209	185,281	187,964	185,206	272
1996		187,114	170,390	170,390	170,390	239
1997	5/	178,870	181,949	174,225	181,851	260
1998		181,955	181,955	181,955	181,955	254
1999		182,719	182,719	182,719	182,719	254
2000		185,613	185,613	184,341	184,341	255
2001	6/	210,213	201,277	206,713	211,713	255
2002	7/	211,703	211,703	213,703	212,516	250
2003		210,337				250
2004		219,993				250

Note: Legislation was proposed in the FY 2003 budget request to move certain veteran employment functions to the Department of Veterans Affairs. The legislation was not enacted

- 1/ Reflects a reduction of \$2,843,000 pursuant to P.L. 102-170
- 2/ Reflects a \$470,000 across-the board reduction pursuant to P.L. 102-394
- 3/ Reflects a reduction of \$275,000 pursuant to Executive Order 12837; and a reduction of \$203,000 pursuant to P.L. 103-226
- 4/ Reflects a reduction of \$75,000 for awards and a reduction of \$8,000 for procurement pursuant to P.L. 103-333
- 5/ Reflects a reduction of \$83,000 pursuant to P.L. 104-19
- 6/ Reflects a reduction of \$98,000 pursuant to P.L. 104-208 and a comparative transfer of funds from Employment and Training Services
- 7/ Reflects a reduction of \$79,000 pursuant to P.L. 107-116 and a reduction of \$108,000 pursuant to P.L. 107-206 from an appropriation of \$212,703,000.

Detailed Performance Table

DOL Strategic Goal	1 - Prepared Workforce
DOL Outcome Goal	1.1 Increase Employment, Earnings and Assistance
Agency Performance Goal 1	Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services.
Performance Results	
Indicator	1.A 58% of veteran and 60% of disabled veteran job seekers will be employed in the first or second quarter following registration (with the Public Labor Exchange System).*
Data Source	ETA 9002 Report – Based on Unemployment Wage Data
Baseline	To be established in FY 2004*
Comment	A new information collection will be placed into effect on July 1, 2004 to conform to the common measures. This will replace the existing ETA 9002 report, thus data for FY 2004 will only be available for 3 quarters

DOL Strategic Goal	1 - Prepared Workforce
DOL Outcome Goal	1.1 Increase Employment, Earnings and Assistance
Agency Performance Goal 1	Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services.
Performance Results	
Indicator	1.B. 72% of veteran and 65% of disabled veteran job seekers will continue to be employed two quarters after initial entry into employment with a new employer.*
Data Source	ETA 9002 Report – Based on Unemployment Wage Data
Baseline	To be established in FY 2004*
Comment	A new information collection will be placed into effect on July 1, 2004 to conform to the common measures. This will replace the existing ETA 9002 report, thus data for FY 2004 will only be available for 3 quarters

DOL Strategic Goal	1 - Prepared Workforce
DOL Outcome Goal	1.1 Increase Employment, Earnings and Assistance
Agency Performance Goal 1	Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services.
Performance Results	
Indicator	1.C. 78% of disabled veterans receiving intensive training and rehabilitative services will enter employment.
Data Source	Data collected by VETS staff in coordination with the VA
Baseline	1997
Comment	

DOL Strategic Goal	1 - Prepared Workforce
DOL Outcome Goal	1.1 Increase Employment, Earnings and Assistance
Agency Performance Goal 1	Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services.
Performance Results	
Indicator	54% of homeless veterans enrolled in homeless veterans reintegration programs will enter employment*
Data Source	Data provided by grantees to VETS staff
Baseline	FY 2004 will be a baseline year for data collected to conform with the common measures. *
Comment	Previous baseline: 2001

Detailed Performance Table

DOL Strategic Goal	1 - Prepared Workforce
DOL Outcome Goal	1.1 Increase Employment, Earnings and Assistance
Agency Performance Goal 1	Improve the employment outcomes for veterans who receive public labor exchange services and veterans program services.
Performance Results	
Indicator	The Entered Employment retention rate after six months for Homeless Veterans (70%). *
Data Source	Data provided by grantees to VETS staff
Baseline	FY 2004 will be a baseline year for data collected to conform with the common measures.*
Comment	

Detailed Performance Table

DOL Strategic Goal	3 – Quality Workplaces
DOL Outcome Goal	3.2.- Foster Equal Opportunity Workplaces
Agency Performance Goal 2	2 - Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.
Performance Results	NA
Indicator	Indicators will be established to target reductions in USERRA compliance problems that are most severe and pervasive based on survey of veterans and service members covered by USERRA.
Data Source	Survey to be conducted every two years.
Baseline	First survey to be conducted in FY 2004, baseline established in FY 2004
Comment	

President's Management Agenda

President's Management Agenda: VETS will actively continue to pursue the mandates of the President's Management Agenda to address many of the challenges that it faces:

Human Capital---VETS has an aging workforce, many of whom are expected to retire in the next few years. A challenge will be to develop mechanisms and practices that allow for the orderly transfer of responsibilities and skills to newer employees. VETS intends to continue improvement of its internal management of human capital with increased training and management development programs. VETS received from Congress flexibility in the appointment of staff and its distribution according to workloads instead of formulas. This will enable VETS to better align its staffing with mission, goals and organizational objectives. VETS will also be able to become more client-centered by shifting positions to where the workloads are and the need for assistance is higher. Similarly, the elimination of the State residency requirement at appointment in certain positions facilitates succession planning and avoidance of mission critical occupational or staffing gaps. JVA also provides some flexibility to adapt the functional skill mix to support competitive sourcing. VETS has already addressed core competencies, training, and linking strategic plan outcomes to performance management.

Competitive Sourcing--- The flexibility provided by the new JVA may enable VETS to make better use of competitive sourcing. In its implementation of the new law, VETS will actively pursue this option.

Financial Management---VETS will implement better tracking of activities' cost and a more effective financial management control system. VETS will adopt Departmental systems that will enable better financial and management decisions to support day-to-day operations. VETS will update its activity based costing source information during FY 2003.

Expanding E-Government--- VETS will continue to expand and improve its efforts to provide access and information to veterans through the Internet (including refinements to the Use Your Military Experience and Training (UMET) website, and the e-VETS Resource Advisor website). VETS will also develop an electronic One-Stop Career Center for veterans during 2004.

Integrating Budget and Performance---VETS has clearly established performance outcome goals and Activity Based Costing (ABC) pilots in 2001 enabled VETS to tie outcomes to resource levels. VETS will continue its activity based costing information gathering to fine tune resource – outcome relationships and to compute the actual costs of activities and outcomes. JVA modified the fixed formula-based resource allocation allowing VETS more flexibility in achieving performance and budget integration. In addition, Regional Administrators for Veterans Employment and Training submit Annual Work Plans reflecting workloads and budgetary requirements based on meeting Agency performance indicators and goals. The VETS Operations and Programs Accountability Report (VOPAR) tracks regional performance against outcomes and performance indicators, and their organization's performance against objectives is included in the performance management system and thus into their performance appraisals.